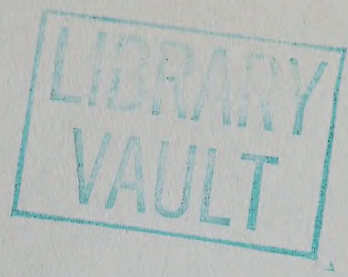

ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF CALGARY AND EDMONTON

COMMISSION MEMBERS

Dr. G. Fred McNally, Chairman,
Mr. G. M. Blackstock, Q.C.,
Mr. I. C. Robison,
Mr. C. P. Hayes,
Mr. P. G. Davies, Q.C.

Dr. H. B. Mayo (Consultant)

Mr. Wm. McGruther, Secretary

P R O C E E D I N G S

held before Royal Commission at the Court House, in the City of Calgary, in the Province of Alberta.

SESSION - 13th DECEMBER, 1954

VOLUME 8.

VOLUME 8.

13 DECEMBER, 1954.

INDEX

WITNESSES

EXHIBITS

VOLUME 8.

MORNING SESSION

DECEMBER 13, 1954

J. IVOR STRONG, recalled to the stand, examined further by Mr. Mackintosh,

MR. BREDIN: I think, Mr. Chairman, before you continue with Mr. Strong Mr. Crawford has a submission he would like to make with respect to his former submissions re Division 1.

THE CHAIRMAN: Mr. Crawford, would you be willing to come around here so the tape will pick you up easily?

MR. CRAWFORD: Yes. Since the, you will recall last week I advised the Commission that if there was any further other submission to make I would advise the Commission at this time. I have been instructed, sir, by the Committee representing the ratepayers of Division 1 of the Municipality of Springbank that they have no further or other submission to make than the one which was originally submitted to you and that is still their position at this time. They asked me to refer the Commission to the submission and the figures attached at the back of the submission which would clearly indicate that in the event they were made into a separate unit they would operate as such without any change or increase in either the assessment

or the mill rate as it now stands.

THE CHAIRMAN: You have no comment to make as to second choices?

MR. CRAWFORD: I am sorry, sir, I have no instructions on that at all.

THE CHAIRMAN: In your absence there were, the remark was made on more than one occasion that Division 1 probably, still adhered as we understood to its original position but failing a clear-cut recommendation on that score it would accept incorporation in the City of Calgary as the second choice, next best. You have no comments?

MR. CRAWFORD: Well, only this, sir, that as I stated last week that matter has not been referred to the ratepayers and with respect I say that neither myself nor that Committee can speak for the ratepayers on that question.

THE CHAIRMAN: Thank you.

MR. BREDIN: I might say, Mr. Chairman, that I am not sure that Mr. Crawford represents the whole of the, at least one group from that area did come to the City Commissioners and the Council and the Municipality of Springbank unanimously endorsed annexation to the City and I was wondering if there is a change in their stand.

MR. CRAWFORD: I can't answer that. I am merely stating with reference to the original submission, sir. I have no

instructions on the other whatsoever.

THE CHAIRMAN: Well, Mr. Bredin has raised an interesting point which I would like to pursue a little further. Whom do you represent?

MR. CRAWFORD: I represent, sir, the Committee that was appointed by the ratepayers of Division 1 of the Municipality of Springbank who, I understand, were authorized to take what steps they considered possible and necessary to establish that Division as a separate unit.

THE CHAIRMAN: Who called that meeting, the Council? Where does the Council stand with regard to this Committee?

MR. CRAWFORD: Well, there is no Council for Division 1 as I understand it, sir.

THE CHAIRMAN: No, but the Council of the, of Springbank is still in existence and assume full responsibility for the position which I have stated with regard to Division 1. It must be regarded as a supreme authority, it seems to me, for all the territory whether Division 1 or 2.

MR. CRAWFORD: Well, I certainly have no authority to speak for the Municipal District of Springbank, sir.

THE CHAIRMAN: Very well, sir.

COMMISSIONER BLACKSTOCK: I would take it to mean that the present situation is that the Committee appointed to deal with the matter adhere to the position of being allowed to

remain as an independent unit.

MR. CRAWFORD: Yes.

COMMISSIONER BLACKSTOCK: And on the other hand if the City makes an application for annexation to the City of Calgary any individual ratepayer in the area to be annexed would come to the Board and either agree or object.

THE CHAIRMAN: Yes.

COMMISSIONER BLACKSTOCK: And then it is up to the Utilities Board to make its decision.

MR. CRAWFORD: That is correct, sir.

COMMISSIONER BLACKSTOCK: And if the Committee does not actually oppose the application it is not going to consent to it.

MR. CRAWFORD: I couldn't even go that far, sir, I don't know what they are going to do. I just say that in my opinion they cannot speak for all the ratepayers of Division 1.

COMMISSIONER BLACKSTOCK: Thank you, Mr. Crawford.

COMMISSIONER ROBISON: Just before we start with Mr. Strong this morning I refer to a document that we had prepared by D.B. Menzies, one of the Commissioners in Edmonton, with respect to sewer, water, curbing and sidewalk costs, and I asked Mr. Strong if he would be good enough to prepare a similar statement for us in Calgary and he has done so and is prepared this morning, Mr. Chairman, to file it as an

exhibit.

MR. STRONG: Mr. Chairman, may I submit these?

THE CHAIRMAN: Yes. The description, Commissioner Strong, is what?

A This is a description of the local improvement charges that are now in effect in the City of Calgary covering residential paving, lanes, grading and gravelling of lanes, grading and gravelling of roads, sanitary sewers, sidewalks, curb and gutter, sewer and water connnections, boulevards and street lighting.

THE CHAIRMAN: Yes, thank you. Mr. McGruther, will you give us a number?

THE SECRETARY: 33.

THE CHAIRMAN: 33.

DOCUMENT IN QUESTION THEN MARKED AS EXHIBIT 33C.

MR. STRONG: Mr. Chairman, I also have here a statement that I was questioned about the other day dealing with the figures covering the employment statistics, and I would like to submit these, if I may, at the same time. I would like to say that, as I mentioned the other day, the figures here were broken down in 1952 and we have a further total figure submitted for 1954 and we have just shown the corresponding percentages for 1954. I don't think the figures should be taken as statistically accurate.

COMMISSIONER ROBISON: They are indicative however.

A They are indicative, yes.

THE CHAIRMAN: Mr. Strong, I don't think I am quite clear as to just what the question was that was asked you or what, if I saw a copy of it I would probably know.

A Well, Mr.Chairman, someone asked me the other day the number of individuals employed in the construction industry.

THE CHAIRMAN: Oh, yes, and this is the distribution?

A And this is the distribution of the labour. Now, I would like to submit this, Mr. Chairman.

THE CHAIRMAN: Yes, thank you. And that would be 34C then, Mr. McGruther?

THE SECRETARY: Yes.

DOCUMENT IN QUESTION THEN MARKED AS EXHIBIT 34C.

COMMISSIONER ROBISON: Mr. Strong, I don't want you to get into any detail on this Exhibit 33C, that's your local improvement costs, but is this as closely analagous to the figures from Edmonton as can be? What I am driving at, may we use this for comparative purposes? I understand that the basis is different in the two cities, but may we use these figures as a close approximation?

A Yes, Mr. Chairman, I believe you can. I think there are just two major differences in Edmonton's approach and the

City of Calgary's approach, one is that the length of time of amortization in Edmonton is longer than in Calgary.

COMMISSIONER ROBISON: Well, that is why I brought it up.

A And the second difference is that I believe they are an including percentage of the flankage which is normally added to the City's share of their frontgage.

COMMISSIONER ROBISON: That is right.

COMMISSIONER BLACKSTOCK: Mr. Strong, I notice you have an annual perpetual ten cents per foot in respect to water, an annual maintenance charge for sewers included in your Tax Notice?

A No, Mr. Chairman, we have never had an annual maintenance charge for sewers but commencing July 1st, 1954, we put into operation a sewer service charge.

COMMISSIONER BLACKSTOCK: Yes?

A Based on water consumption and that is billed out along with light and water accounts.

COMMISSIONER BLACKSTOCK: It doesn't look as bad as if it came in the tax bills.

A I beg your pardon?

COMMISSIONER BLACKSTOCK: It doesn't look as bad as if it came in the tax bill.

A Correct, sir, and we feel it is a more equitable distribution of the cost.

COMMISSIONER BLACKSTOCK: Have you legislative authority

for that?

A Yes, sir, Mr. Chairman, that is included in the City Act, Council may pass a by-law.

MR. BREDIN: Do you want the reference to that, Mr. Chairman?

COMMISSIONER BLACKSTOCK: No.

MR. BREDIN: I haven't it at the moment but I --

COMMISSIONER BLACKSTOCK: No, I felt pretty sure it was there, Mr. Bredin.

A I have it here, Mr. Chairman.

COMMISSIONER BLACKSTOCK: Subject to the provision of the City Act it was going through.

A Section 321 (f).

COMMISSIONER ROBISON: That is that sewer by-law.

MR. BREDIN: That is the authority, Mr. Robison.

A The authority.

COMMISSIONER DAVIES: Mr. Blackstock, is this the same thing that Edmonton told us they had discontinued?

COMMISSIONER BLACKSTOCK: No, no.

THE CHAIRMAN: Have we, I think we have not covered your questions completely, have we, Mayor Mackintosh?

MR. MACKINTOSH: Not quite, sir.

THE CHAIRMAN: No, will you please return then.

Q MR. MACKINTOSH: Mr. Chairman, members of the Commission, you will remember that when the Commission rose

evidence was being made to show the parent city was responsible for its child even though that child may have been born out of wedlock. Now, Mr. Strong, would you agree that Bowness in particular was formed through an unholy alliance betwixt the City of Calgary and certain real estate speculators and other promoters?

A Mr. Chairman, I am not familiar with the early history of Calgary to that extent and I am afraid I could not venture an opinion on that.

Q Nevertheless it is a fact, perhaps you may be able to verify it from your reading, that in connection with the extension of the street line, streetcar line out to Shouldice an exchange of land was made by what is now the Shouldice Estate with the City through an agreement to bring the streetcar line out to Shouldice, and further than that an agreement between the City and Mr. Hextall was made through which the City acquired Bowness Park and the building of the bridge now in existence by Mr. Hextall to bring the streetcar line out to where it presently exists, you agree that that is so?

A Yes, Mr. Chairman --

Q Yes?

A -- that is so.

Q Now then, as a result of those speculations a certain community grew around the streetcar lines and has kept on growing from a child in swaddling clothes until now it is

a husky adolescent hollering to the high heavens for assistance to establish certain things to which the people believe they are entitled, do you agree that the people in the Town of Bowness today are living under conditions similar to that existing, shall we say, 50 years ago during the old homestead days?

A Well, Mr. Chairman, I would say that the density of population in Bowness has reached a point where because of their lack of sanitary facilities that it has reached a serious problem.

Q Now, Mr. Strong, investigation was made by a Committee appointed by the Manitoba Legislature within the last two years concerning the outlying districts surrounding Winnipeg. In the report of a sub-committee on the amalgamation of Municipalities within the Metropolitan Area on page 95 of that report --

COMMISSIONER ROBISON: What is the name of that report please so we can get it on the record?

MR. MACKINTOSH: The report is "The Manitoba Municipal Committee Report", a memorandum of recommendations and was presented to the Speaker of the House, the Legislative Assembly of the Province of Manitoba in February, 1953.

COMMISSIONER BLACKSTOCK: That is filed as an exhibit in the Edmonton Hearing.

MR. MACKINTOSH: Yes.

Q And now on page 95 of this Report, and I quote what it says, "While the sub-committee is opposed to complete amalgamation of all Municipalities into a single metropolitan unit, it does feel that it may be advisable to combine certain suburban Municipalities into larger administrative units. There appear to be four important cases where amalgamation should be seriously considered." I am further going to quote from Section 4,"One of the recommendations where a very large firm or firms establishes itself in a small Municipality with the consequence that its employees live in adjoining Municipalities where adequate residential, school, shopping and other facilities are available in such situations a substantial inequity results from the fact that in the Municipality in which the firm locates obtains all the tax revenues contributed by the firm while the adjoining Municipalities receive no such revenue but are burdened by the employees' demands for services in such situations amalgamation would provide a more equitable distribution of the revenues contributed by the large firm." Do you agree with this, Mr. Strong?

A Well, Mr. Chairman, that is fundamental, I believe, in the studies of metropolitan situations.

Q And yet am I correct in stating that your stand as expressed so far is that because Bowness is purely a residential area that it has no claim whatsoever on the taxation and

educational tax dollar, on the industrial and commercial taxation dollar of the City of Calgary?

A Well, Mr. Chairman, I think the point in view of the stand of the Commissioners in this is that we favour the principal of amalgamation knowing that in the long run and over the long term period it will be the most satisfactory solution, but I think we are charged by our Council in this respect that they, while they endorse that principle, they say the City of Calgary taxpayer cannot stand any additional load, they neither accept any responsibility nor do they reject it. Now, I think I mentioned the other day that I felt insofar as the social responsibility of a major Municipality or a Metropolitan Area was concerned that we would have some responsibility, we have that to protect our own citizens, particularly from the standpoint of an epidemic or something that might occur.

Q Would that responsibility, Mr. Strong, go to this extent, presently, this was brought out, I think by our Mr. Smith, presently the City of Calgary has a bonded indebtedness of something of 40 million dollars, the School Board indebtedness being something over ten million, making in all some 50 million dollars, and in the event of amalgamation of Bowness with the City of Calgary would the sum of some $1,300,000.00 of that present bonded indebtedness be saddled onto the present residents of Bowness, and if so how could it be saved from taxation?

A Well, that is true, Mr. Chairman, if they are amalgamated it would be on the understanding that they would take their share, of course, of the City of Calgary debt, similarly we would take, the City of Calgary would take our share of the Town of Bowness debt.

Q At the present time the debt charges from the Town of Bowness, if my memory serves me right is somewhere in the neighbourhood of 59 cents per capita as against some $12.13 or some few cents for the City of Calgary. That is, I think, the approximate figures?

A Yes, I think that is right.

Q The total bonded indebtedness for the Town of Bowness is somewhere between 250 and $300,000.00, which sums have been raised in the last two or three years for the purpose of erecting schools, there is no Municipal debt at the present time. Now, Bowness has a total revenue, I think of 170,000 odd dollars, most of which is taken up by school expenses, in view of the fact that our mill rate is high we have at the present time $80,594.00 in arrears of taxation, could you tell me by what magician's wand we can raise sufficient moneys locally to retire such an abnormal debt as is being saddled or will be saddled through amalgamation of Bowness with the City of Calgary?

A Well, Mr. Chairman, that all depends until one can assess the present valuation of property and so forth in Bowness as against our own assessment it is difficult to know how

much additional moneys can be raised or will be necessary. I think under amalgamation the Town of Bowness would have to be prepared to go to Calgary's basic assessment unless under this graded system of services we were able to come to a definite understanding that they would only have certain services for a definite specified period of time with a preferential tax rate during that time. However, I think such a situation is that where it is, that urban development is similar to the development in the City of Calgary, that there is much to be said against it by way of penalizing the other developments throughout the City.

COMMISSIONER ROBISON: Mayor Mackintosh, would you pardon me just if I could clear up a point there, I don't want to interrupt you, your Examination, but in Bowness taking over the City of Calgary shall we say, is there, they take over the per capita debt but don't they take over some assets too, aren't their assets that you take, that would be taken over, isn't there, aren't there two sides to the point, if Calgary takes over Bowness they take over debts and assets, is that not correct?

MR. STRONG: Well, that is true.

COMMISSIONER ROBISON: And vice-versa. Well then, in this per capita debt picture aren't there certain assets that you must fairly look at too, if Bowness takes over Calgary?

MR. STRONG: Well, they have, Mr. Chairman, the complete resources of the City of Calgary.

COMMISSIONER ROBISON: Well, is it not fair to look at that at the same time you are looking at the per capita debt, that's my question?

MR. STRONG: Yes, I think so.

COMMISSIONER DAVIES: Mr. Mackintosh, since you were good enough to stand for one interruption, perhaps you would stand for one more. There is something just at this stage that isn't very clear to me. Since the Town of Bowness under the Town and Village Act levies on buildings and improvements at 100% of value --

MR. MACKINTOSH: Yes, sir.

COMMISSIONER DAVIES: -- and since the City of Calgary under the City Charter levies on improvements at 60% only, I don't see how the residents of Bowness are going to be called upon necessarily to pay any of this debt of the City of Calgary to any larger extent than what they are taxed now, unless their yearly tax bill is more. Now, what I am interested in knowing is in answer to the question will the yearly tax bill of the individual taxpayers in Bowness be more, and I don't see how it will be more unless the City of Calgary has an entirely different basis of assessment than your assessor in Bowness when your assessment on buildings and improvements is going to

drop to 60%.

MR. MACKINTOSH: Well, --

COMMISSIONER DAVIES: Can you indicate, can you do anything to clear that up by questioning Commissioner Strong?

MR. MACKINTOSH: That is especially true of both points.

Q In the first instance in regard to Commissioner Robison's question, this bonded indebtedness that has already been created by the City of Calgary, I take it the debenture moneys have already been expended, for bridges, roads, sewers and water, erection of school buildings and so on, so that it is sheerly impossible for any of those debentures to be used now in the creation of any works or any wealth within the Town of Bowness, that is correct?

A Yes, that is correct.

Q Now, with regard to the questions raised by Commissioner Davies, in the City of Calgary the per capita expense is somewhat over $70.00 per annum, 40% of which is derived from the industrial and commercial taxation dollar, correct?

A That is correct.

Q In the Town of Bowness the total revenue or expenditure, one closely resembles the other, is in the neighbourhood of $30.00. Now, in order to bring this standard of living in Bowness up to the standard of living in the City of Calgary shall we say that it would take an annual expense

per capita of roughly $40.00 per capita, would that be a fair statement, in fact it might take more when you consider the new issues and so on and so forth which are required.

A Well, Mr. Chairman, it is very hard to pick a figure out of the air at this time but I think that there would be two, there would be two taxation pictures, one would be the local improvement tax which would go against the property for whichever service they requested and then in addition to that there would be that increment of additional general tax which goes towards the general debt picture of the City, plus educational and those general charges and I think until we have some comparable assessment figures of Bowness against our own basis that we are just guessing.

Q I am sure so far as the assessment picture is concerned, Mr. Commissioner, that once you send out your assessors to Bowness to make the spot check of which you are speaking, their figure will very closely be in accord with the present assessment figures, in other words we have an assessment at the present time of approximately $2,250,000.00 and in view of the type of houses situated in Bowness and so on and so forth, I doubt if any one assessor's figure will vary very much from another, in other words our assessor, Mr. Carmichael, I think well known to some members of the Commission and the assessment was completed, the re-assessment was completed last year and since Mr. Carmichael was

a local assessor I had the Department of Municipal Affairs send down an independent assessor, not mistrusting Mr. Carmichael's work by any means, but just in order to assure ourselves that that assessment was as equitable as it was possible for an assessment to be. This assessor made the check of some 28 houses and he came back to me and he said, "If my assessor, my assessment from that of Mr. Carmichael's would alter at all it would be in one piece of land and house alone where the difference was merely $100.00 in the total assessment." Now, the point is that in order to saddle Bowness in the first place with something over a million dollars of the present bonded indebtedness of the City of Calgary and in order to bring the standard of the Bowness people's way of life to that of the residents of the City of Calgary the cost would be so enormous that there would be far more than what shall we term confiscatory taxes brought into being. Now, Mr. Strong, from the information that you have on your files, would you confirm the fact that the fringe areas, satellites, surrounding the City of Montreal, the City of Winnipeg, I think perhaps the City of Windsor, in fact it may be true of all satellites so far as I know, that every fringe area, organized Hamlet, Village or Town has been for a number of years in the hands of the, a permanent receivorship, whether that be represented by the Board of Public Utilities or a trusteeship in the various Provinces, would you agree that

that is so?

A Well, Mr. Chairman, I would not agree that that is so. In the case of many satellites I believe, particularly surrounding the Metropolitan Area of Toronto that there are many of those Municipalities who were financially in good shape, I am speaking relatively.

Q You speak now of the million dollar mile outside the City of Toronto?

A Yes, I can't think of a specific Municipality at the moment but I know in my readings of the history of those that that point was brought, was stressed that there were many of those Municipalities who had a great percentage of industrial tax base within their Municipality and as such they didn't want any part of amalgamation, they felt they were satisfied to run their own show.

Q I think it is admitted that there are some of the surrounding Municipalities of the City of Toronto at the present time that are in a very favoured position and they, I may say, are not to be compared with the suburban area of the suburb of Rockcliff in relationship to the City of Toronto, the City of Ottawa, but very unfortunately those are indeed exceptions. The suburb of Rockcliff with its millionaire houses, its ambassadors' homes and many other facilities for taxation that the average suburban area to the west does not possess. Now, so far as the City of Winnipeg is concerned, I don't want to belabour too much these

questions or occupy too much time of the Commission and that is one reason I am depending perhaps on memory rather than looking up certain things, so far as the City of Winnipeg is concerned, the suburbs or satellites I think are all or mostly in the hands of a receivorship today with the exception of two of them, East Kildonan for one, which has been relieved from that trusteeship within the last year or so, well, two to three years I should say, so that their affairs are being administered by a trusteeship and I imagine the taxation, the taxes are being raised as high as it is possible for them to be raised in order to pay their present indebtedness and that as a result of that the normal development of utilities and so on in these places are away far behind.

A Mr. Chairman, I was just going to make reference to one statement that Mayor Mackintosh made. He felt that the assessment of Bowness was fairly comparable to that, we would find it was comparable to that of Calgary and in the event it should happen to be the case then it would be quite evident that the Town of Bowness is going to be the one that would profit entirely by making use of the City of Calgary tax base, in other words we would be spreading what we have that much thinner and that has been our argument from the start.

Q Mr. Chairman, it is quite true that if you take away from the assessment of the City of Calgary, its water system,

its sewage system, its sidewalks, its gutters, its paved streets and the other many improvements which the City of Calgary people get you would find perhaps that the assessment was comparable but undoubtedly it is not comparable at the moment, I mean in other words where a house may be assessed for $1000.00 in the Town of Bowness because of the lack of improvements, the City of Calgary, that same house would probably assume an assessment of 2000 or more, in other words their comparableness is fundamental but not when you add all the improvements.

COMMISSIONER ROBISON: Well, you could, just at that point now, Mr., Mayor Mackintosh, you could with some relevancy compare Bowness for example with Ogden, couldn't you?

MR. MACKINTOSH: With which?

COMMISSIONER ROBISON: With Ogden?

MR. MACKINTOSH: Oh, yes.

COMMISSIONER ROBISON: And Ogden is within the City of Calgary as to its assessment.

MR. MACKINTOSH: Yes, it could probably be although even at Ogden there are various improvements. I think the last time I was at Ogden would be about 1921 or '22, so I am very much unacquainted with the present --

COMMISSIONER ROBISON: Well, I think an assessor, an appraiser would mentally compare Bowness and Ogden to get some comparison, basic comparison between the City of

Calgary and Bowness.

MR. MACKINTOSH: Yes, that's quite possible.

Q Now, I have a reference somewhere in this same volume of the Manitoba Provincial Municipal Committee, on page 90 of this authority I have quoted I would like to read a further quotation with regard to the Windsor Metropolitan Area. "An amalgamation was carried out in 1936 of the City of Windsor with East Windsor, Sandwich and Walkerville, following the amalgamation tax rates rose in the annexed Municipalities though not in Windsor itself that the City was in serious financial difficulties during the 1930's, partly as a result of heavy debt charges incurred in the construction of major public works prior to 1930. Today, of course, the city is reaping the benefit of those expenditures which had resulted in such a burden during the depression years, whereas other cities have been obliged recently to undertake substantial fresh debt to finance local improvement in new districts. Windsor has not been obliged to do so. New districts are already equipped with necessary local improvements which were constructed or installed before 1930."
Is Calgary in the same position, Mr. Commissioner?

A Well, Mr. Chairman, to a certain degree, yes. On the other hand the fringe areas have had the benefit of all the, of a good many of the things that have been constructed within the city by way of capital expenditure during that interval

for which they have not had to contribute anything.

Q COMMISSIONER BLACKSTOCK: And is it not true that some of those communities had defaulted in their obligations and had refunding schemes whereby their interest rates were reduced on repayment of capital expended over a number of years? I am not quite clear on that, Mr. Mackintosh, but I know that some of them are in that position.

MR. MACKINTOSH: They still are, sir.

COMMISSIONER BLACKSTOCK: They still are.

MR. MACKINTOSH: Yes. Particularly the outlying points.

COMMISSIONER BLACKSTOCK: Yes.

MR. MACKINTOSH: Particularly the outlying points of the various cities. In Montreal and in Winnipeg, in particular, a number of the satellites surrounding them they are in a fearful financial position, and in Montreal there is a peculiar thing that I learned through reading this, when I thought of a Metropolitan Area, I thought of one area combining the parent city together with its offshoots, but in Montreal the Metropolitan Area comprises the city within the city, that is Verdun and various other outside localities, but it does not include the City of Montreal itself, which is totally different from the other cities in the Dominion.

COMMISSIONER BLACKSTOCK: Is that because Montreal's capital

debenture debt was so tremendously heavy?

MR. MACKINTOSH: Well, it may be partly so, although I think it's a political question down there.

Q Now, Mr. Strong, getting back locally to Bowness. As you know through the Council and through the Ratepayers' Associations a very polite request has been made to the City of Calgary to reduce the cost of transportation to that presently existing between the city and Ogden. Now, in the event of amalgamation would that be done?

A Mr. Chairman, you mentioned, Mr., Mayor Mackintosh mentioned between the City and Ogden, or did he mean between the city and Bowness?

Q Well, I should say the city and that portion of the city which lies within the name of Ogden, in other words I assume, and I don't know myself, but I assume that the fare within the city itself is one fare and not a double fare.

A Well, Mr. Chairman, that brings up the question of policy that the city is by no means tied to a single fare because it accepts new bounds, the zoning system of fares is something that is quite prevalent in all suburban centres and while we have nothing in mind at the present time we may have to reconsider and take a good look at the fare situation in the future.

Q The reason I bring that up is this, that it has a bearing, transportation costs have a bearing on shall we say the

tax structure, in other words whether it is water, sewage, transportation, those essential things, the people have to pay for them, and consequently they come to a certain degree within the tax structure, that the City of Calgary at the present time and for some considerable time past if we assume that each person living in Bowness spends the sum in the City of Calgary of $1.00 per day for groceries and furniture and so on and so forth, it amounts to a very very considerable amount of money in the year, so that the City reaps, does it not, the advantage of all the trade from Bowness?

A Yes, that's true, it reaps a certain amount of benefit, that is correct.

Q So that your merchants are more able to pay their business tax than if Bowness did not exist?

A However, Mr. Chairman, it would appear that through all of these advantages there comes a day of reckoning.

Q The day is not up. Now, getting back to the relationship between Bowness and the City of Calgary, which is closer, perhaps than one may think, some time ago there was contained in this issue of Maclean's Magazine an article on suburban --

COMMISSIONER ROBISON: What issue is that, Mayor Mackintosh?

MR. MACKINTOSH: This issue is dated September 1st, 1954 and in the following week there was also another issue but not having any office in Bowness and my wife being a

very careful housekeeper a good many of my papers, magazines and so on disappear in the incinerator, and I have lost it. Now, on page 50 of this issue of Maclean's it is mentioned that septic tanks break down and many Canadian suburbs are suffering from an inadequate or unsafe water supply, "In Markham Township, north-east of Toronto wells serving more than a thousand people were recently condemned and users warned that their water supply could produce jaundice, polio, typhoid and types of dysentery. Markham asked Metropolitan Toronto for water, health authorities suggested that further subdividing be stopped as Markham's Reeve pointed out when wells are established on 50 foot lots that also have septic tanks, trouble is bound to develop.", do you agree that the same condition prevails in Bowness?

A Yes, that is true, Mr. Chairman.

Q Do you also agree that in the event of an epidemic of typhoid fever, jaundice or any of these other diseases that are mentioned here that it would affect a large proportion of the City of Calgary?

A Yes, it could well do that.

Q And that the City of Calgary ought to take economic steps to avoid such an occurrence?

A Well, Mr. Chairman, I would like to put the shoe on the foot that it belongs. I think that this of course has been caused by permitting the development to continue

in the fringe areas where inadequate planning has not been used at the proper time and it is quite evident that the fringe areas in order to get tax base have incurred the building and development of homes and that the end result being that it gives them a school problem with which they had to contend and that the same argument was brought out the other day in connection with Forest Lawn, that there is a desire there to have a great housing development without realizing what the repercussions will be, and mind you the sanitary conditions may become different in that situation, but with regard to Bowness I think it has been poor planning that they have tried to increase their number of residences in that area knowing full well what was going to happen, prejudicing not only their own citizens but the entire area of the City of Calgary.

Q It is also mentioned in this article, I just wondered if you would agree with this that, "Midnapore is on a main 60-mile-an-hour highway, and four of the ten miles are four lanes; Bowness is on a good highway but the route is all 20 and 30 mile zones; while Forest Lawn --" poor old Forest Lawn "-- is on a road blocked by chuck holes, truck traffic and a narrow bridge." Now, one point that might be developed from that is this, that our highway is so excellent and that our transportation facilities provided by the City of Calgary are also of such a magnificent standard that it takes away the business that

may properly belong to the local business merchants.

COMMISSIONER BLACKSTOCK: Is this the Town of Bowness Brief we are listening to?

MR. MACKINTOSH: Pardon?

COMMISSIONER BLACKSTOCK: Is this the Town of Bowness Brief we are listening to?

MR. MACKINTOSH: Well, I thought perhaps I may have interpolated somewhat but, although I don't think most of the questions have been, are in the Brief.

COMMISSIONER ROBISON: I think you have done very well, Mayor Mackintosh. It is all right.

MR. MACINTOSH: Well, with that, gentlemen, thank you.

COMMISSIONER BLACKSTOCK: Mayor Mackintosh, my remark was facetious.

MR. MACKINTOSH: Oh, I appreciate that, whatever concerns Bowness I am sure will concern --

COMMISSIONER BLACKSTOCK: One other question I wanted to ask you. You referred to the bar sinister on the Town's coat of arms?

MR. MACKINTOSH: Yes, sir.

COMMISSIONER BLACKSTOCK: Is it correct that you are seeking an act of legitimation?

MR. MACKINTOSH: Unfortunately now the City of Calgary apparently wishes to make its children legitimate not through an appeal in force. Thank you.

THE CHAIRMAN: Now, His Worship intimated on Friday that there were some points in the City's Brief that he would like to bring out through questioning Commissioner Strong. Are you prepared to do that now?

MR. MACKAY: Yes, sir.

THE CHAIRMAN: All right then.

MR. MACKAY: Can I do it from here or --

THE CHAIRMAN: I think so.

MR. MACKAY: Fine.

EXAMINATION BY MR. MACKAY:

Q Mr. Chairman, I would like to establish through questioning Mr. Strong, Commissioner Strong, one or two points, Mr. Hayes raised one of them on Friday. I noticed we started off this morning by the same point, and fairy tales start out with this expression, "Once upon a time.". Once upon a time the annexation of Forest Lawn and Albert Park wouldn't have been a serious problem at all, and I think that is where we stand with this new enlarged area we are talking about, the beginning of the "Once upon a time" story, and we would like to start our story right so that we don't wind up with what I might suggest will be a Grimm's fairy tale in the future, only it will unfortunately come true. Commissioner Strong, Division 1 this morning again reiterated the thought that they want independence.

DR. MAYO: No.

Q MR. MACKAY: Did somebody say no? May I ask you this question, would that be because they have the tax revenue possibilities of the Ammonia Plant, which would be quite handy in keeping their tax burden in a very highly favourable position in relation to the rest of Calgary?

A Mr. Chairman, I think that would only be partially the answer, I think the answer is that they are anticipating being thrown into a larger Municipality, a larger Municipality which is comprised principally of farmers and cattle raising and so forth, an operation which is more or less distinct from the general type of life in Division 1, therefore they feel that they will perhaps not get the same amount of attention as a small community within that larger one. It just so happens that the Division 1 has within it this additional tax base such as the Ammonia Plant.

Q Would it not also be true that in the development of Division 1 as it is presently anticipated they would also have the favourable position in relation to our river properties and the industrial expansion of our city?

A Yes, that is correct.

Q In order, Mr. Chairman, to get these thoughts on the record for your consideration I believe in considerations that we have had with the Provincial authorities that whatever their thinking might be, and that is something we can only anticipate in relation to this problem that is presently

facing all of us, I am sure that they will have some deep concern over the actual expenditures of any public funds that they might make available to make such a thing possible as the orderly development of Forest Lawn, Montgomery, and Bowness. Commissioner Strong, may I ask you this question, would it not be possible to develop a well-organized detailed programme so that there could be a very honest appraisal of everything that needs to be done and the Government could have the City of Calgary's assurance that there would be a very fine analysis of the situation and there certainly wouldn't be any wasting of public moneys?

A Well, I think that is true, Mr. Mayor. This whole problem is one that needs to be approached from a very scientific point of view because now is the time to approach it before the situation has got too bad. I was just wondering, Mr. Mayor, if there were some definite points you were referring to there in your remarks?

Q Well, I am thinking of this that the Government might be asked in the instance of Bowness to put up X millions of dollars to make this reality and if X millions of dollars were made available what assurance would the Government have that this money would be expended in a very careful manner and there would not be an effort made to make it into a grandiose scheme that is beyond the fairness of the problem?

A Well, Mr. Chairman, I can only speak from my personal point of view at the moment, and that is that if we were to obtain moneys by way of a grant to perform certain things that naturally we would stand by any conditions that were established. In the case of Bowness or any fringe areas that the City would pick, I would suggest that the first thing that would happen that all new construction would stop in those areas so that they did not have a problem that is gradually worsening on our hands and then we would have to attack the existing problem on a plan basis.

Q Commissioner Strong, may I ask you this question, on the, are you in a position to give the people of these areas any kind of an idea on a general timing of this, for instance sewer and water are probably the first considerations, curb and gutter and sidewalks, and those kind of things, and the roads are things that people in the City of Calgary have waited as much as 20 years to have in front of their homes and that could be a long time schedule as far as those things are concerned, but what kind of a programme in general terms would lie ahead of the City of Calgary if these things were made a reality?

A Well, Mr. Chairman, if we were to obtain moneys to extend services to these areas apart from any funds that were needed to develop the city itself, then it would certainly reduce the length of time involved, I mean to say we could just go to work independently and immediately on those areas,

but if the funds necessary to supply services to those areas have an impact on our own borrowings and our own development, then it would be a question of straining them out over a period of time.

Q Have our Engineers given us any idea of what kind of a time element from the physical characteristics might be involved in providing these services?

A Well, normally speaking, Mr. Mayor, it would be a matter of two or three years in the ordinary rate of development that we are going at the present time, but as I say that could be speeded up provided there was no impact on the development within our own confines.

Q Commissioner Strong, in order to protect the interests of the people themselves who live in Forest Lawn, Montgomery and Bowness many of whom have viewed with alarm what might happen to their individual rights as communities if amalgamation did take place, would you be in favour of a committee say of three men or women for that matter, either being appointed or elected by these three divisions of authority to sit on a committee over an allotted period of time that would be required to give these basic essential services to see that the interests of say the Forest Lawn residents, the Bowness residents and the Montgomery residents were looked after in order to offset possibly the feeling that might be there that they have elected representatives now that they could

lose all that representation in coming into the larger picture of Calgary?

A Yes, I think, Mr. Chairman, that that thought has considerable merit, I mean there is a question of policy involved but surely representation of some kind could be made from those areas either to the planning bodies or bodies of that nature, otherwise it would have to be possibly an elected operation which would put you into the ward system possibly, and that is a matter of major policy which is really none of my affair to discuss, but I would think that offhand it would be better to have appointed representation from those districts, perhaps on planning bodies.

Q You would look upon this as an advisory committee?

A That's right.

Q And if it was appointed for say a period of five years that that would more or less eliminate ultimately this problem anyway, because in five years the basic services would be taken care of?

A Absorbed in the whole.

Q Mr. Chairman, there is one other problem that members of the Commission have brought forward and by asking questions I would like to see if we could leave with you something to consider in your deliberations. This problem of why has Forest Lawn, why has Montgomery, and why has Bowness grown to the extent that it has or to the extent

that they have. I would like to ask confirmation from our Commissioner as to whether or not he would agree there are probably three basic reasons. Would it be right, Commissioner Strong, that the economics of the situation, the inability of people to afford to build what we call a city standard is one of the basic reasons why they have gone out into these fringe areas?

A Yes, I would say that is correct.

Q Looking back and noticing the figures that show you that in the last few years, particularly, there has been a phenomenal growth in these fringe areas, would one of the basic reasons, Commissioner Strong, be that in the time of home scarcity that we have been coming through these last few years, people of ordinary means who have families have almost found the doors shut, if you have a family we don't want you, there has been a selective ability of rental properties, and as a result there has been a very serious problem confronting people who wanted to move into rental accommodations with families?

A Yes, that is true.

Q And as a result they had to go somewhere. I might substantiate that, Commissioner, Mr. Chairman, just to show you that we haven't passed away from that problem by any means by suggesting to you that last week I had a call from one of these, these very areas where a person owned a home out there and rented it to a family of four, that

is a father and mother and four children, and he called me up and asked me what our Welfare Department could do because what had happened was that this father had given him an N.S.F. cheque for one month's rental of this home and had got his family established therein and now says, "At least I have a roof over my children's head.", and people are getting to the point where they will go to even those extremes to try to get a roof over the head of their families, so that we haven't passed that phase of the problem at all. Then I think there is a third reason, Commissioner Strong, that I would like you to verify if you can or will from your experience with us on the Board of Commissioners. Is it not the desire of independence on the part of the people that even if it is only a humble little abode that is only worth a few hundred dollars it gives them a sense of independence and a sense that within reasonable bounds and not operating outside of boundaries of the license of decency that they can live their own individual lives?

A Yes, that is correct.

Q So for these three reasons we have a problem created at Bowness, Montgomery and Forest Lawn as far as Calgary is concerned have fallen heir to it?

THE CHAIRMAN: Mr. Mayor, I want to ask the Commissioner a question just at this point with regard to what you have said. The reason which His Worship has put number

three is undoubtedly number three --

A Yes.

Q -- in the sense of independence?

A Yes, that is right.

Q And --

A The third and last reason.

Q Yes, and quite far down I would say the gap between two and three. Will you agree, Mr. Mayor?

MR. MACKAY: Yes, I would agree.

THE CHAIRMAN: If they were in the city such accommodation that could be rented within the means of these people, they wouldn't worry very much about their independence, would they?

MR. MACKAY: Mr. Chairman, you are anticipating my question here.

THE CHAIRMAN: Oh, I am very sorry.

Q MR. MACKAY: I understand, I am not making it obvious but I want to suggest this to Commissioner Strong that in other countries they have evolved what we might term in general thinking a national housing pattern for low income people. Now, the Scandinavian countries have done it, England has done it, the United States, even the tremendously valuable Manhattan Island has developed it, the so-called poverty-stricken country of Mexico has developed it and we finally see a start of it being made in Canada because now down in the Regent Park development

of Toronto they have finally come around to doing it in our country and I think we have an answer to it as a matter of fact right here in the City of Calgary where we have pioneered a development. Do you think, Commissioner Strong, that if we could find a housing pattern development that would wipe out the need of this, or let me put the question this way, if we had of had this kind of a pattern of development for our own Canadian people, and more particularly our own Calgary people, do you think that it would have forestalled the kind of development and the tremendously accentuated growth that we have had in these areas our city?

A Well, Mr. Chairman, I think it would have forestalled it to a greater extent, I don't think it would have stopped it entirely because, as you have already mentioned, there are the three reasons and there are some people who wish for independence or a different type of government, wish to live in the location that they feel is outside the city, but I think that the principal two reasons were the high cost of construction, second the high cost of taxation and those are the principal reasons why they have gone to the suburbs.

Q But it is true, Commissioner Strong, that in the Province of Alberta so far we have no publicly developed plan or supported housing scheme that would give that low rental anywhere?

A Well, Mr. Chairman, actually since the War there has been in my opinion no actual low rental housing, that is getting down to the, to the low income bracket men, all housing has been subsidized to a certain extent, particularly those that are for home owners. We have as the Mayor, the point that he is bringing out is that we have within the city now a couple of schemes which are providing low rental housing, and they are the only schemes, I think, that are in evidence today that really compete in the low rental field, and we have found them most satisfactory and had we had some of these in operation immediately after the War I think we would have gone a long way to forestall the situation that has arisen today.

Q Mr. Chairman, we have, as Commissioner Strong has suggested, a project in Calgary that I would like the Commission to take the time to look at as an illustration of evidence of what might happen to help alleviate this problem for people who just, it is taking every dollar they have got to live, with no thought at all that they can build up any reservoir fund to make a down payment for anything. Now, Edmund Heights, I think, is the latest project we have in Calgary, it is on our North Hill here in Calgary, I think it should be examined because it provides rental facilities with two bedrooms for $47.00 a month, and I think that if those kind of facilities had been available right from the beginning of this problem, frankly I think our thinking has

been slow and now it has got to be geared up to meet this problem in order to answer what Commissioner Hayes has brought out repeatedly that what's going to stop this from going a little bit further out and starting all over again, and I would like to see it on the record because the answer, it evolves itself around this low rental type of facilities, it has, oh I would say a dozen different varieties of approach, might be publicly insured private financing or might be actual public participation, it might be three levels of Government, there are so many ways in which it might be brought forward but I think if we had an answer along that line that we could forestall the continuation of this problem which is just almost as important as finding the answer to what we have at the present time.

THE CHAIRMAN: Mr. Mayor, it is time for our recess. Will that be convenient for you then to continue after --

MR. MACKAY: Yes, I just have one other question I want to ask.

THE CHAIRMAN: One other question, well, very well, we will wait for it. It is likely to be perhaps a long one, the question will be longer than the answer, perhaps.

MR. MACKAY: Well, I think after that I will wait, Mr. Chairman, if you don't mind.

THE CHAIRMAN: We are now adjourned until 11 a.m.

(Commission adjourned at 10:55 a.m)

(Commission reconvened at 11:10 a.m.)

EXAMINATION BY MR. MACKAY:

Q Mr. Chairman, the only other question that I would like to ask Mr. Strong yes or no on as you have suggested, we might leave the little door open a little here I realize that but in asking this question we may, or shall we say we may not disagree or agree with the principle that Bowness and Forest Lawn and Montgomery might share or might claim properly a share in the economic wealth of the City of Calgary, nevertheless do we not find ourselves in the position, Commissioner Strong, that we are carrying on our present property taxation dollar such a totally disproportionate share of highways and education and hospitals and welfare plus the impact of a capital development programme for our city that is neighbouring 15 million dollars a year and will do so again next year with the impression that that will make on our debenture picture to the extent that we are just in the hopeless position that unless responsibilities, economically and financially, come off it somewhere we can't pick up any more?

A Yes, that is, that's true, Mr. Chairman.

Q That is all I have to ask.

THE CHAIRMAN: Thank you.

COMMISSIONER ROBISON: Mr. Chairman, I think we should be grateful to the Mayor this morning for having gotten some

rather valuable viewpoints on the record, and in line with that last question I have some questions, but I am going to hold them for Mr. Batchelor, the Finance Commissioner.

EXAMINATION BY COMMISSIONER BLACKSTOCK:

Q Just when we are on the point that you raised, Mr. Strong, and one of them being a committee composed of individuals from the three places, you may not be able to answer this, to what extent would the City of Calgary act upon the recommendations which the Committee might move?

A Well, Mr. Chairman, I think if we, if we establish a Committee or Board of some kind to go into this matter it would be done on the basis of accepting certain obligations and that I think that Committee should definitely be headed up by the City of Calgary but I think it would be conditional that these outside points would have a fair and just hearing and be given proper consideration.

Q Then perhaps as to sewer and water it would be largely a matter of timing?

A Yes, that is true, unless as I mentioned before it is possible for funds to be provided to take care of those separately without any impact on the City of Calgary's own particular problems which the Mayor has just pointed out is a large one, and we don't see that end in sight, in fact it is mounting.

Q Do you imagine that you could borrow money for water and sewer for those three communities unless you had the City's obligation behind your bonds?

A I don't think the City of Calgary could, no, but --

Q The obligation would be there but the impact of it might be distributed between the three people?

A That's right.

Q The three communities.

EXAMINATION BY COMMISSIONER ROBISON:

Q Mr. Strong, I think I would like to ask you two or three questions arising out of some things the Mayor asked, and one question is directly from his Examination. Now, I want to state, ask one or two questions about this city assessment, I think we should get something on the record about that. Is it not a fact that there is a new assessment under way in the City of Calgary?

A Yes, that's true.

Q Started last year?

A Started in '53.

Q Land last year, improvements this year?

A That is correct.

Q With further work on the land and any pick up next year, it will take about three years to clean the thing up possibly?

A That is correct.

Q Are you reasonably satisfied with the basis of the new assessment and the quality?

A Yes, I believe we are satisfied with that, with the adjustments that are being made in 1954.

Q And your total for '54 was $187,000,000.00 and with your new improvements assessments coming into the picture this year it is possible, I suppose, to say that the total assessment may be slightly higher than that figure?

A Yes, that could be, although I think it is a little premature to the estimating because there have been some adjustments made in land values.

Q That is right.

A I can't say whether one will offset the other at this time or not.

Q But it will be reasonably in the neighbourhood of the present figure somewhere?

A I would think so, yes.

Q And you say you consider the assessment on a sound basis now?

A That is right.

Q Now, Commissioner Strong, you said that, if I got you correctly, that, something to the effect that were you to move in with respect to taking over these areas that all new construction would stop in fringe areas, until you assessed the situation. Now, could you enlarge on what you meant by that statement?

A Well, Mr. Chairman, I am speaking now on the basis of amalgamation --

Q Yes?

A -- and the City policy is that we do not issue building permits off sewer and water and it has been this, the fact that the fringe areas have not, of course, been in a position to have such a policy but have been anxious to get as much building and improvement on their property as possible that this thing has gone so widespread, therefore in considering any fringe areas as a part of the over-all metropolitan Calgary then one of the first responsibilities would be to try and service those residences or properties that are in existence and then the over-all picture must be considered. It would be inadvisable, perhaps, to continue the extension of services into some of those areas in the light of other developments that we have in mind, I mean we must face the issue, I think, and look at it from the over-all picture, in other words using this as an example we do not gain too much by continuing our development north and west in view of the traffic problem that it is imposing on the city, particularly when our industrial expansion is to the south and east and were amalgamation in effect then that's when our control must take over, and that is one of the main disadvantages, of course, in allowing the fringe areas to carry on on their own unless they are prepared to accept some control of that nature.

Q That is right. Now, do you feel that the Provincial Government has some responsibility for having permitted development to develop and continue in say Montgomery, which is in a Local Improvement District and to some extent in Bowness and Forest Lawn, for having allowed a development or developments to continue, which is now facing this Metropolitan Area with the possibility of a serious health problem, do you think the Government has some responsibility for having allowed that to continue and to develop?

A Yes.

Q Good motives or unthinkingly?

A Well, I think, Mr. Chairman, that they have a definite responsibility. I mean when you look at the entire economy of the Province this unprecedented growth has been due to the development of the oil industry and all of the revenues from the oil industry are going to the Province and the two main centres of population, Edmonton and Calgary, have been absorbing the big population increase that has been brought into the Province because of this oil expansion. Between Calgary and Exmonton we have possibly something better than 400,000 people which represents 40% of the population of the Province and the basis of financial assistance that we are getting at the present time I don't think is proportionate in any way to that percentage of population, and I think that there is a point there that could be well argued and justified in

presentation to the Provincial Government.

Q Well, that they have permitted this development to continue raising in its trend certain problems which have now become serious?

A Particularly in the Local Improvement District of Montgomery --

Q Quite.

A -- which has been under their own jurisdiction.

Q Yes, and now they are facing this Metropolitan Area because of that with certain serious problems?

A That's correct.

Q Where would you claim the major Government support then, in regard to the situation, in capital grants with respect to the utilities, local improvements?

A Well, Mr. Chairman, the basis of grant now is, each operation is, is, functions on its own merits and we have no concrete plan basis.

Q Well, let's take Bowness now, isolate Bowness from that point of view. Here is an area that has developed in an unprecedented manner as far as this area is concerned, due to factors that I think we all know, we are all faced with serious problems arising from that development, you have said that you think that because that the Government has certain responsibilities in that area. Now, because of that unprecedented development and the unprecedented nature of the problem is there a case, in your opinion, for the

Government to recognize it as an unprecedented problem and to make a special or special grants to bring that area up to something comparable to the City of Calgary say in local improvements, that is the main problem, isn't it?

A Well, yes, I agree with that thought, Mr. Chairman, I believe in the case of Jasper Place outside of Edmonton the Government had to step in and make an educational grant because they had a special condition there.

THE CHAIRMAN: Yes.

A And I think the same thing could well apply with regard to the sanitation problem in our own fringe areas because they absolutely cannot finance those at the present time.

Q COMMISSIONER ROBISON: Well, there is no question from what the Mayor said a little while ago that the Government would have to be assured that the money was to be wisely spent and there would have to be safeguards.

A Yes, that is correct. I have thought this, Mr. Chairman, the basis of our Brief being that we favoured annexation on the long term run, still many of us feel that if these areas could be brought up to a much better standard at the present time without amalgamation that it would make the picture, improve the picture as far as the City is concerned at a later date and I have thought that perhaps such a solution might come out of this Hearing.

Q Well, there is nothing, there is no reason then why the City could not or would not be prepared to make all

reasonable safeguards and safeguard all necessary conditions looking towards the solution of this or these problems?

A Yes.

Q The City would be amenable to any reasonable suggestions?

A Yes, I am sure we would. I think there are just the two special problems as I see it, Mr. Chairman, the underlying situation, the whole business, of course is financial, the second major problem is one of control.

Q That's right.

A And it is a matter of trying to work out, we think that the financial situation could be improved by perhaps outright grants to these areas in such a way that their standard could be raised but unless the control can go along with that then it will ultimately be detrimental, but if control can go along with that then these fringe areas would find themselves in a much better state and the City would be much more amenable to the idea of annexation at a later date. In the meantime, of course, the danger is that if the Municipalities acquire these services, that is the fringe areas acquire these services they will beocme more autonomous and they will then themselves want to resist annexation as time goes on.

Q I would like to ask you two or three questions on Table Four, Comparative Statement of Revenues and Expenditures, I have some others that I will refer to Mr. Batchelor, but these, I think you will be able to answer from your

background in the City, Commissioner Strong. I refer there to this matter of utilities and profits from utilities down on the bottom section of that, have you got that in front of you?

A Yes, I have that.

Q Profits from utilities. Now, something was mentioned about utilities the other day, are you satisfied that the profits from the utilities, it is nice to see profits from something, are you satisfied the profits from the utilities are what they should be in the City of Calgary?

A Well, Mr. Chairman, all I can say is that the profits from utilities is certainly not increasing but in fact is, it is reducing, whereas the amount of money from profits from utilities that has gone against the mill rate to relieve taxation some years ago is no, is about the same as it is today, the relief to taxation is gradually reducing.

Q Yes?

A Our, our utilities, mind you they are carrying their own capital advancement at the present time, but due to the high capital cost now for utility extension we are getting this reflected directly in the amount of profits that can go to general --

Q I understood that, yes.

A -- and not only does that situation exist but we are not setting up, in my opinion, what are satisfactory reserves for depreciation from those utilities.

Q On account of the high capital costs today?

A That is right, and on the fact that we are, we should be taking some of this money that is actually being reflected in the mill rate reduction and setting them aside in adequate reserves for depreciation accounts.

Q Yes. Well, one other question, I refer to police and fire without going into the figures specifically, the costs of course have been growing and they are heavy and necessary, but are you satisfied that now, that the police coverage of the city is sufficient and the fire coverage of the city is sufficient without considering that extra responsibility that might be encountered in an annexation scheme?

A Well, according, Mr. Chairman, according to standards we are, I think, in what you would call a medium bracket as far as both our Fire Department and Police Department are concerned. We are advised by the, the case of the Police Department, the Chief of Police states that for a population of a certain size we require, I think it is 1½ to 2 policemen per 1000 population and we are just within that bracket, in the lower limits which means that we are, we are not overstaffed, we are just borderline, and I think the same applies to the Fire Department. Several years ago we had a report here by the Western Canada Fire Underwriters and in their report they stipulated that we needed so many men for the equipment that we had. We have

not been able to comply in total with that requirement but we feel that we have an adequate standard for our own requirements only.

Q My impression was, I may probably be wrong, but my own impression was that, both with respect, particularly with respect to police, that we were slightly understaffed?

A That is, that is true. There have been, you have perhaps noticed, Mr. Chairman, that there were a few policemen added within this last month.

Q So that if a Metropolitan Area was created there would be greatly enlarged responsibility both for fire and police?

A That is correct.

Q Which are not revenue producing Departments?

A That is correct.

Q Thank you, Mr. Strong.

A I would just like to mention this, Mr. Chairman, that in connection with Commissioner Robison's statement on utility costs I would like to point out that we are not in nearly as favourable a position as the City of Edmonton. They operate their own power plant. We distribute ours and buy it wholesale, and their revenues are considerably higher than ours, and in addition, of course, they have the telephone utility which puts them in a much more favourable position.

EXAMINATION BY THE CHAIRMAN:

Q Mr. Commissioner, I would like to ask you this question referring back to what you have said before Commissioner Robison asked you that last question. Talking about the installation of these various utilities by the surrounding Towns, this installation being carried out by themselves, in your opinion would the City with its equipment be able to do these jobs more efficiently and more rapidly than the Towns, assuming now that the money is available for either way of doing it, than the Towns could do through private contracts?

A Well, I believe, Mr. Chairman, that with competition as it is today that the Towns could have this done probably as, well, comparative costs of the City's operation.

Q And with maybe greater speed?

A Yes, that is possible in view of the work that we have to cope with ourselves.

Q Yes?

A As a matter of fact we are contracting a great deal of our own work at the present time.

Q I see. Thank you.

MR. MACKINTOSH: Mr. Chairman, could I be granted the privilege and power to ask a couple of questions?

THE CHAIRMAN: Come up here, sir.

RE-EXAMINATION BY MR. MACKINTOSH:

Q Mr. Strong, at the present time Bowness is very fortunate in having a grant from the Government insofar as education is concerned, amounting to 59% of the total cost of education in Bowness, and also to the extent of 49% in connection with the Municipal expense. In the event of amalgamation would the City guarantee that those grants either in the event of them not being maintained by the Government, would be maintained by the City in order to reduce taxation to a reasonable level?

A Mr. Chairman, I don't think I could stick my neck out on that one. Well, I think it would be an entirely different approach. I don't think there would be any particular grants to that section of the Metropolitan Area, but the calibre of education would be the same as it is elsewhere in the City. I think that is the answer to --

Q In other words the City at present receives, I believe, somewhere between 12 and 13% of their total costs through a grant from the Provincial Government?

THE CHAIRMAN: You are referring to education now?

MR. MACKINTOSH: Education, yes, so that Bowness, if amalgamated, their grant would be so much less than what it is presently?

A Well, Mr. Chairman, it costs so much per pupil in the City of Calgary and I don't know how that cost compares with the cost per pupil in Bowness, but I imagine that it

would be just as high, and perhaps higher and that whatever standard of education is being given within the City would be given to Bowness were it to become a part of the City of Calgary, so that relative costs, I don't think ever enter into the picture, but the point that is brought out in our brief is that we feel that, that in annexation, if annexation were to be the result, that any of those grants that are presently being maintained, or being made should be maintained.

Q For the benefit of the City as a whole or --

A No, for the benefit of that particular area. We are assuming now that additional cost against that particular area.

Q Now, the other question is this, am I safe in saying that up until approximately four weeks ago the thought of the City Commissioners dwelt on a Metropolitan Area rather than on an amalgamation?

A Well, Mr. Chairman, no, I would say that in theory we, the Commissioners, have always favoured the principle of amalgamation, but we also have the City Council that we are responsible to, who feel that the taxpayer of Calgary is bearing all that they can bear at the present time, and they are prepared to go along with us in theory that amalgamation in the long term in the best solution but they feel that the financial responsibility should not be the City of Calgary's.

Q There has been an insinuation that if a Metropolitan Area

came into being that the Commissioners and the aldermen of the City of Calgary would no longer control the setting of their mill rate and perhaps the major portion of their expenditures. That would have nothing to do with the opposition of the City to a Metropolitan Area?

A No, I don't think so, no, I am afraid I don't just get that point, Mr. Chairman --

Q In other words if you have a Metropolitan Area set up you must, of necessity, have a Metropolitan Area Board?

A Yes.

Q Who would requisition of the City of Calgary for certain expenditures and that requisition would require to be satisfied as they would do with the outlying points so that in essence the City of Calgary would be called upon to give up a great deal of its responsibility as it is existing today. Is there any objection from that viewpoint, of course I realize that in addition to that the Metropolitan Area Board would probably duplicate much of the work that is being done by the City.

A Yes. I think there would be some opposition to that, Mr. Chairman, particularly because your city comprises 90%, 90 to 95% of the total Metropolitan Area, and I am sure that they would resist giving up any of their powers to the other 5%.

THE CHAIRMAN: Mr. Mackintosh, so far as you are aware, nobody in no brief that has been submitted has

proposed the kind of organization that, let us say the Toronto organization?

MR. MACKINTOSH: No.

THE CHAIRMAN: For this area, is that right?

MR. MACKINTOSH: Not so far as I know.

THE CHAIRMAN: No, that was my feeling too.

COMMISSIONER BLACKSTOCK: Still, Mr. Chairman, I asked Mr. Martin the question and I am very glad to see Mr.,Mayor Mackintosh pursue it and I hope you will continue it. We will have to report to the Government first that, the following possibility, one, that we do nothing, that of course is unthinkable; two, that we recommend an amalgamation; three, that we might recommend a Metropolitan Area; and four, that we might recommend the countyship. Now, when we make whatever recommendation we make, I would like to be fortified by reasons why we should do the one and not the other, and Mr. Mayor, if you will follow that up I will be very happy, why do we favour amalgamation rather than a Metropolitan Area; what is the reason in favour of one, what is the reason against the other?

MR. MACKINTOSH: I am afraid that so far as I am concerned my knowledge of economics and the little reading that I have done with regard to the unfortunate experiences of other satellites who have been amalgamated, is not sufficient to delve into the question too seriously. As I see it at the moment that in the event of amalgamation

those portions of the proposed city will be under an extreme debt burden which, now I am thinking apart entirely from laying our problems in the lap of the Provincial Government because I am satisfied that the Provincial Government will say, as they have said in the past, "We have to take this assistance out of the general revenues of the Province and we can't, we are not justified in so doing because what we have to do for Bowness, whether under amalgamation or under a Metropolitan Area -- although the idea of the Metropolitan Area may give the Provincial Government a way out of the difficulty -- "but what we have to do for Bowness of necessity we must do for other Towns, incorporated Villages and so on and so forth within the Province." and our economy is so tied to that of the City of Calgary that I fail to see that the Government will be justified in giving an appropriation to the City of Calgary in order to bring those places up to a certain standard of something over seven million dollars, I think that is the total of Bowness, Montgomery, and Forest Lawn, the amount that is estimated to give us water and sewage, paved streets, curbs, sidewalks and so on and so forth. Now, that is an enormous amount of money to sink into three satellites that comprise, shall we say nine, about 12,200 or so people out of the revenue of the Province and not merely is it the capital expenditure in providing those services, but it is also undoubtedly

much of the operation and maintenance costs, because I am satisfied that with the modest earning capacity of the people who dwell in those three satellites it will be almost impossible for them to pay the operating and maintenance costs, far less the charges on the capital costs.

Now, Mr. Commissioner, probably some of this will be dealt with when we come to the Bowness Brief.

Thank you.

THE CHAIRMAN: Any questions?

COMMISSIONER HAYES: Yes, I have some.

MR. MAVEETY: May I --

THE CHAIRMAN: Oh, I am sorry, I am sorry, Mr. Maveety, I didn't hear you.

MR. MAVEETY: Quite all right, sir.

THE CHAIRMAN: You go ahead, please, and I will ask the Commissioner to wait.

EXAMINATION BY MR. MAVEETY:

Q Mr. Chairman, members of the Commission, Mr. Strong, I am going to deal with a couple of items on what I figure is a metropolitan responsibility. First I am going to deal with it from a personal side and then from the Dominion Government angle. Now, Mr. Strong, I have lived in this community for 30 years, in the City of Calgary and in '43 I went to Forest Lawn. Now, I am in business

in this area and during the course of my business I have had occasion to pick up and buy five industrial businesses in this Town and incorporate them in my business at Forest Lawn. Now, these industrial businesses which had an impact on planning in the City of Calgary, were not ideally located and there has been an improvement in the planning and there has been good building and better businesses put in them localities since I claimed them out and bought them and took them to Forest Lawn. Now, what I am getting at is that I have run a business in Forest Lawn that have had an effect and possibly improved the City therefore I think I am a metropolitan man, and I have something to do with the way the City has been run and which has had a bearing on their tax structure and the Town Planning. Now, the City of Calgary must have some effect on us, they are gaining something from the surrounding area and we are helping to run this City. Would you not say that we had some call or were responsible for help building and improving this city of yours?

A Well, Mr. Chairman, always putting me on the spot with regard to the responsibility of the City for the surrounding areas, and I think that is getting away from the main point, I mean we are close enough together that we have social responsibilities from the standpoint of an over-all community, and our attitude is this, Mayor Maveety, that we have the central city, and if the central city had not been

there when this unprecedented growth took place, we would not have had the tremendous development in the fringe areas brought about by the oil expansion of the Province. I think that is the major position. Had Forest Lawn been 45 or 50 miles from the City of Calgary, you wouldn't have had the rate of growth, or anything like that, that you are having today, because you are a part of a Metropolitan Area.

Q Yes, sir, but that isn't my point. I have been in here since 1913, I am part of the City.

A Well, in your business connections, of course, one can only say that you have been a part of the Metropolitan Area. You have been in Calgary and out of Calgary, I gather from your remarks, had businesses in the City then you chose to move them to Forest Lawn. Now, you must have had some particular reason for wanting to move them there, to move out of the city?

Q There is, yes.

A Did costs not enter into the picture, Mr., Mayor Maveety?

Q No, not in this case. Now, the second point, sir, you take your Dominion Government, it goes to war at the choice of the people. We have heard a lot about the war. They take men, take what men they need, get them where they will. They take wealth. They get money, they get it where they will, by any means at their disposal. You are taking or picking up all the good potential tax

base close to the vicinity of Calgary, you don't care where your labour comes from, whether it is in Town or whether it is out, you pick it all up, you use it. The Dominion Government, they take care of the dependents. They pay them a set sum or a certain sum and they have protection for them and the men that they put in the Army, and there is different agencies set up for the protection of their families while their men are Overseas, and in general they look after the welfare of the other family as well as the men and the Army man's rates are protected when he is away or when he is in the service of the Army. Could we not safely say that the City of Calgary is big business and that it had a direct responsibility to all its working people regardless of where they were?

A Well, Mr. Chairman, I think the City of Calgary is prepared to take its responsibility when the proper time comes. You are speaking of all these houses and development. Actually every new house that is built in the City of Calgary or the vicinity does not pay its own way as far as the tax picture is today and while we have had a tremendous amount of building here in the last five to eight years it has been principally residential tax base which, with the demands and requirements of people today, does not, it does not take care of the normal operating costs, in other words we are today receiving for our mill rate reduction a contribution from utilities,

we are getting certain unconditional grants and those amounts, apart from the grants, our utility contribution is reducing so that in the complete picture all the services that are required, unless we have some more industrial base, each house is actually a detriment to the financial picture.

Q Yes, but all the people in this area are being supported by the industrial base and the commercial base that is here and you have over 90% of them?

A That's true, but still we have 95% of the people as well, but still our industrial tax base, as shown on this chart, which roughly contributes 40% of the tax dollar is not, is not actually adequate for the City of Calgary, I mean it is generally known that the higher the industrial tax base the healthier financially the community will be and if you refer to the table of those cities of Hamilton and Vancouver they show 55% industrial tax base as against 45% residential; we feel that the area to the east of Calgary is the logical location for industrial expansion. We have no, we realize, of course, that Forest Lawn has that same picture in mind, but at the same time the thing that we feel is not being done in the fringe areas is that you are not exerting any control of your residential development, that is you are promoting it to eventually make the picture worse than it is at the present time.

THE CHAIRMAN: You have nothing to say to that last comment, Mr. Maveety?

MR. MAVEETY: Well, only this much, Mr. Chairman, that we are asking for more potential industrial tax base, we have that request in our Brief, and if the City of Calgary is going to, in their request they have, like I stated just previously, they are asking for the rest of the heavy industrial tax base and if they are going to take it all while they are at it, and take all the potential industrial base that is choice around the country, then they must act up to the size of their corporation.

THE CHAIRMAN: I think that is fair enough.

Mr. Commissioner, I hope you will note that what the Mayor of Bowness said about the percentage taken in grants to education in Bowness. I think you had a notion that the high spot was in Jasper Place, but I suspect that perhaps he has given you a new idea there.

Mr. Smith?

MR. SMITH: I just wanted to ask, sir, whether Mr. Batchelor is going to be, to take Mr. Strong's place or not, is that the intention?

THE CHAIRMAN: Oh, unquestionably.

MR. SMITH: Would you prefer that Mr. Batchelor answer the questions on assessment and taxation or Mr. Strong?

THE CHAIRMAN: I prefer that nobody would ask any more questions until after lunch.

MR. SMITH: Well, that is my only thought, sir, if Mr. Batchelor wishes to answer the questions on taxation --

THE CHAIRMAN: If you can conveniently be here this afternoon and ask the questions, I can assure you that we expect to reach Mr. Batchelor soon after lunch.

Thank you very much, two o'clock.

VOLUME 8

AFTERNOON SESSION

DECEMBER 13, 1954.

J. IVOR STRONG, recalled to the stand, testified as follows:

THE CHAIRMAN: Very well, Mr. Smith, I think you had the floor at the time of the adjournment? No?

MR. SMITH: I was merely asking whether Mr. Strong or Mr. Batchelor was going to carry on.

THE CHAIRMAN: And when you learned it was Mr. Batchelor, you decided to withhold your questions?

MR. SMITH: I think that is right.

THE CHAIRMAN: Right. Now then, I should ask first if there are any other questions from the floor? And Commissioner Hayes, you said you wanted to ask a question.

EXAMINATION BY COMMISSIONER HAYES:

Q What I had in mind was, are we right in saying 40% of the assessment in the city is from industrial and commercial assessments, is that right?

A Yes, Mr. Chairman, that is correct with regard to the actual assessment.

Q How much variation is there in that percentage would you say in the last two years?

A I don't believe I can answer that, Mr. Chairman. I don't

think we have our figures broken down. We could try and get them.

Q Well, could we say that that 40% is the highest in the history of the City?

A I think that is safe to assume, particularly in view of the re-assessment that has been done.

Q You say now you have a re-assessment; what is the date of the old assessment?

A Mr. Chairman, the old assessment, I believe, was based on 1935 costs.

Q '35?

A 1935 costs.

Q The old assessment was 1935. That would rather indicate you didn't believe too much in a change, eh?

A Well, Mr. Chairman, that might apply to some but I don't think it applies to all of us.

Q It's been stated that, and I am very much interested in this because I have heard it in so many places, that property is bearing about the highest burden of taxation that it is possible to. How do we measure that, how do we arrive at that?

A Mr. Chairman, that is a very good point. It is, I think that in trying to assess that picture that it is a relative point as there is no particular standard, all we can go by is the comparison of taxation in other cities and surrounding areas. I think that people by and large are very conscious

of the taxes they pay at the Municipal level, which perhaps doesn't apply in the same way to Federal income tax, and taxes of that nature, but in the community in which they live they are conscious about what they are paying for the services which they receive because they are there before them. I think by and large it is safe to say people don't mind paying high taxes if they are getting good service. I think as long as your economy is expanding, and that is applying to your citizens at large, you don't have too much resistance, but once things begin to sharpen up and toughen up a bit then immediately your local tax picture becomes quite prominent.

Q Yes, because it's not only something that is peculiar to the cities, you hear that in the rural areas, and every place, that taxes are becoming burdensome. However, there is an indication that when taxes are too high the trend then is towards tax recovery proceedings. There is not much evidence of that in any of the fields of taxation.

A No, not at the present time.

Q What is the reflection in mills? Possibly it is somewhere in these briefs, but I have missed it at the moment. What is the reflection in mill rates of the municipal assistance that Calgary has got?

A Commissioner Batchelor has those figures.

Q Well, we will leave that one. That is all I have.

THE CHAIRMAN: Thank you. Mr. Davies, have you any

EXAMINATION BY COMMISSIONER DAVIES:

Q Mr. Strong, I was going to ask you just the same question as Mr. Hayes, that is how do we know when it is true that taxes have reached the limit? Is there not some table in financial circles as to the relationship between local taxes and rentals?

A Well, we have that relationship established with regard to business taxes, and the figure that we use in Calgary is 8%, in other words your business tax is 8% of your rental value.

Q And --

A But that figure has never been reflected into residential taxation to my economics.

Q One thing I would like to get at on the question of taxes is I would like to try and find the relationship between our rural taxes and our urban taxes. If we look at the Assessment Act, we know that on a farm property that no improvements, or buildings, or equipment of any kind are assessed. You know that, don't you?

A Correct.

Q You also know that the land is assessed at its raw value, so to speak, having regard to its location, handiness to market roads, schools and so on?

COMMISSIONER HAYES: Did you say you knew that, did you say yes?

A From the Rural Act, yes.

COMMISSIONER HAYES: Well, it isn't right, that is not right. The land is not assessed at its raw land value, it is plus the improvements, not in buildings, but certainly in the cultivation of the land. Sure, you clean up a brush pile and up goes your assessment.

COMMISSIONER DAVIES: Well, I will just carry on with this, Mr. Hayes. My understanding is that if a farmer breaks all the cultivated area that he can on his farm, that the taxes do not go up because of that in itself.

COMMISSIONER HAYES: That is right, it does.

COMMISSIONER DAVIES: My understanding is it doesn't.

COMMISSIONER HAYES: Oh well, you are wrong, that's on the record.

THE CHAIRMAN: I hope that isn't misunderstood, this little passage-at-arms.

COMMISSIONER DAVIES: It isn't that I am, sir, but it's a little flimsy, if I may say so sir. But in any event my understanding is that no improvements on farm lands are assessed, and since clearly breaking constitutes an improvement that it is not assessable. Now if that is so it means a farmer could have on his quarter section, Mr. Strong, $50,000.00 worth of buildings, and there is no assessment for example, in respect to those buildings, whether it be a $25,000.00 house and a $25,000.00 barn, or a $3,000.00 house and $47,000.00 worth of other buildings. You understand it that way, do you?

A Yes, in view of the discussion I will have to accept your word for that.

Q Well, we will let that ride, I will settle that with Mr. Hayes.

COMMISSIONER BLACKSTOCK: And perhaps I should put in my two bits' worth. Farm lands are assessed at the fair actual value having regard to the land use, if it's a raw quarter it is assessed as a raw quarter, when you start to improve it by cultivation then your assessment goes up in accordance with land use. I was on the Assessment Commission long enough that I think that I am right in that.

COMMISSIONER DAVIES: Well, I may have to settle this with two Commissioners then.

THE CHAIRMAN: You don't have to count me in.

Q COMMISSIONER DAVIES: And I also have to settle it with a couple of Municipal Secretary-Treasurers I know quite well. In any event to carry on from there, would it be possible for you, Mr. Strong, to give us what the total tax load is on a comparable land in the city, that is take a man in the city who has got a reasonably modest home, and then he has got a business, because he has got business tax and he has local taxes to pay on his business; then if a person had what his combined taxes were on his business to make his living, and on his home, I would then be able to relate that to the position of a two or three quarter section farmer, and I would have some idea about what load

they were carrying. Do you think you could do that for me? Not today.

A No, but you are referring to get this information for you?

Q To get this information. I would like to see that picture myself on a relative basis.

A Yes. Well, we could have the assessor do that. We would have to know what other payments I think the farm land, or the farmer is required to pay.

Q Well, I will get that somewhere else.

A You are just interested in the --

Q In the City's side of it.

A A straight tax propostion?

Q Correct, local taxes. And if the man has got his home in the city and his business in the city, on a modest sort of a scale, he is in, what his total tax load there for local taxes is what the farmer's is for his business on his own. I want to leave that question now for a moment, and come to the question of these sewer and water extensions; does the sewer and water extension that you have allowed the figures for on page 8 in respect to Bowness, does that anticipate that you are going to connect up with your present city water supply, and does it anticipate that you are going to have the sewage system of Bowness connected with the City of Calgary, or are you going to establish a separate sewage disposal plant?

A Mr. Chairman, this establishes, as far as water is concerned,

connecting up with the present city's water supply, but I believe it establishes a separate sewage disposal plant.

Q Out there?

A In that area. I believe I am correct.

Q And then would you deal with the same situation for Forest Lawn, what's the score there?

A The same situation exists in Forest Lawn.

Q So you would be connecting them up with the city water supply?

A That is right.

Q But you would be creating or erecting a separate disposal plant again?

A That is correct.

Q And then how many disposal plants have you at present in Calgary?

A We have only two at the moment. Actually we have one, Mr. Chairman, I am a step ahead of myself. We have one large plant presently located in Bonnybrook, and we have been requested to build an additional plant to take care of the Ogden area, which cannot go back into our existing plant.

THE CHAIRMAN: That would be quite different from the proposed Fish Creek one?

A Oh, yes.

THE CHAIRMAN: Mr. Davies, would you mind if I asked a question?

COMMISSIONER DAVIES: No.

THE CHAIRMAN: Mr. Strong, from your knowledge of the proposals outlined by Mr. Maveety for the establishment of an independent water and sewage disposal, at least service in Forest Lawn, have there been any negotiations, or would there be if the possibility of the tie-in, that is would their size pipe and all that fit into the city's scheme if they went ahead, as you outlined this morning, that any one of the three, or all three of them might do and be in a better bargaining position if they did?

A Well, that should definitely be done, Mr. Chairman, before any steps are taken.

THE CHAIRMAN: Even if there were no amalgamation?

A I mean it would be advisable.

THE CHAIRMAN: Your Engineers -- Mr. Maveety, do you understand that, would your contracting company consult with the Engineering Department of the City of Calgary?

MR. MAVEETY: That is definitely my opinion, sir, all them matters should be worked out in conjunction.

THE CHAIRMAN: Yes. Thank you very much. All right, carry on.

Q COMMISSIONER DAVIES: I want to ask some questions about utilities, but it more has to do with the financial aspect. Should this be directed to the other Commissioner?

A Oh, I think I could answer most of those and Mr. Batchelor could substantiate them.

Q Well, on the question of Calgary's utilities, and the

reference that was made this morning to the profits from utilities, that's on Table number 4 of your Financial Brief. Now as I understand it, for example, on electricity that the City of Calgary owns the distribution system and buy the power wholesale from Calgary Power. Now when we see this total figure here of profits actual, 1953, $621,517.33, is that the net profit after providing for what you did for reserves?

A Yes, that is correct.

Q And that represents a profit out of utilities that is carried into your general revenue, and that has the net effect of keeping your mill rate down on lands and buildings and business tax?

A That is correct.

Q Is that right?

A Correct.

Q You don't levy a 5% tax against your utilities here in Calgary as a corporation, do you?

A Yes, we levy a 5% revenue tax.

Q Is that what this profit is, or is that something else again?

A No, that is in addition to, that is in addition to the profit that is shown here.

Q Well then, where is that 5% tax so we will know how much that you collected in tax?

A Well, that is shown on our individual annual financial

statement. That is reflected in the current operating budget.

Q Well, could you tell us?

MR. BREDIN: Mr. Chairman, that is shown in our Financial Statements that are filed. It is on page 76 of the 1953 Statement.

COMMISSIONER DAVIES: Well I have given you, Commissioner Strong, the profits on the utilities on Table 4, can you tell me how much in 1953, that is the same year, that you collected in 5% tax?

A Light is 231,000.

Q Right. I want your full taxes that you levied on utilities that the City owns or operates, but not on gas.

A You have the electric light. The Transit System revenue tax, $129,829.00.

Q Yes?

A The Waterworks Department, $75,996.00.

Q Well, roughly speaking that is $435,000.00 that you have just given me, those three items?

A That is correct.

Q Now is that computed on a regular percentage basis of 5%?

A 5%.

Q On what?

A On the total revenue.

Q On gross revenue, and can you tell us, Commissioner Strong, when you started to levy this 5% tax?

A Well I believe, Mr. Chairman, that 5% tax has been levied for a good many years.

Q So in the year 1953 there was approximately $435,000.00 of 5% tax levied on your utilities plus a profit of 620 -- let's see now --

A Well, the revenue --

Q 621,000?

A That is right.

Q In profits that was taken out of utilities as a matter of actual fact, amounting to over a million dollars to help to relieve the burden on land and improvements thereon, is that right?

A That is correct.

Q Now in my mind this raises a very serious question as to, and the situation is much the same in Edmonton, as to what is the purpose of a Civic Government operating utilities? Are they operating utilities for the purpose of making profits to keep the taxes down on land and improvements, or are they operating those utilities for the purpose of giving the people, who in effect own them, the benefit of rate reductions, and I would appreciate a few observations from you, Commissioner Strong, on what your philosophy is as to what the object is of having a public owned utility?

A Well, Mr. Chairman, I realize that Municipal utilities were supposed to be non-profit making, and that has been

the thinking --

COMMISSIONER BLACKSTOCK: Pious hope.

A I beg your pardon?

COMMISSIONER BLACKSTOCK: Pious hope.

A Abandon hope.

COMMISSIONER DAVIES: No, pious hope.

A In recent years I think the thinking has changed with regard to that. My feeling is now that a utility, whether it is a city-owned and operated or otherwise, it should be run on a sound financial and economic basis. I mean if you want that utility to cope with expansion, and take care of maintenance, that it should be put on a sound basis and should be run as a profit-making utility, because in effect you are turning those profits back in to the relief of taxation, and you are having everybody that lives in your city, apart from your actual taxpayers, contribute to the general revenues of the City, whereas we do not have any poll tax, or any tax of that nature which is attributable to the renter. We feel in this way that we are spreading the taxation cost over the renter as well as the property owner, and that it is a fair and more equitable disposition of costs.

Q Well let us suppose, Commissioner Strong, that due to expansion in your utilities, and your failure to give the consumers the benefit of rate reductions, that this figure of $621,000.00 is multiplied by three times, just for the

sake of accepting your principle that you are establishing; what would you say about it then?

A Well, that's putting it, perhaps, on an exaggerated scale, but that would call for some adjustment. I mean to say again the rates, and things of that nature, are relative and must be assessed against market values, and I think as long as those rates can be kept in line that that would be the criterion.

Q I suppose --

A The point -- pardon me.

Q I am sorry.

A I was just going to raise the fact that this particular utility, and the profit that is shown here, is actually only derived from the one utility, that is the light utility, it is not enjoyed by the other two utilities. In effect they are not, they have not contributed for the past two years anything to the relief of general taxation, it has all come from the one utility.

Q The City, I presume, is pretty sensitive whether or not the people in the city have to pay the Gas Company higher gas rates than what they should, aren't they?

A Yes, sir.

Q And the public are pretty sensitve about that too, isn't it?

A Yes.

Q What would you think if in view of this new development of assessing the utility patrons amounts that are far in

excess of what is needed to run these utilities, if the cities had to go to the Board of Public Utility Commissioners, so that justice would be assured to the utility users.

A Our field, the trouble is, Mr. Chairman, our field of taxation is limited.

Q That's just what I want to get at. It seems to me that the basic philosophy of public utilities is that when the public own them they exist for the benefit of the public, and in particular for the interest of the patrons, and that if through the Civic Government operating utilities they are able to show a profit over a period of time, that the just thing is that that profit should go back to the patrons of that utility in the form of reduced rates. Do you quarrel with that as a basic philosophy?

A No, I don't quarrel with that as a basic principle, no.

Q Well then, could I carry it one step further, and put it to you this way; is it true that possibly these utility profits are staying large and are being pushed into the general revenue of the City more because of the pressure of demands on the City's revenues, and not having the funds, and not wanting to raise the mill rate, and so the result is these large profits are built up this way instead of passing them on to the consumer in the way of reduced rates?

A Well, that is true, excepting I would say in our own case that we are not doing that, we are not putting proportionately the same amount for the relief of taxation as we were

ten years ago. I mean we have actually, the last two or three years, attempted to start an adequate reserve for depreciation, but we are still, I feel, a long way behind getting what would be adequate. I think in a private utility they finance their utility a little different than we do; all our capital expenditure by and large we are placing on the doorstep of posterity, whereas a private operation, they make sure that they set up adequate depreciation accounts. That is a matter of policy, no doubt, and in approaching the financing of the matter, but the Calgary policy has been not to establish too much in the way of reserve.

Q Well, that profit of a million dollars by way of the 5% tax plus this other amount is equal to about five mills on your tax rate, isn't it?

A That is correct.

Q Do you realize that if there should be set up in this Province Municipal Assistance Grants that are based on need that a City like Calgary may find itself in the position that it has been taxing its utilities wrongly over such a period of time for keeping the rates higher in order to get this money that maybe you might ultimately find yourself in the position that because you have got five mills established on your utilities that you are going to be taking that out of the utility owners in the city instead of getting it out of the Province? Did you

ever consider that aspect?

A No, no, we never felt we would have to.

Q It is a possible one, isn't it, Mr. Commissioner?

A Well, I should hardly think, Mr. Chairman, that that approach would be taken unless there was some other approach to the general taxation picture.

Q Well, it's right apparently to say that if you didn't need those moneys so badly and felt you couldn't tax land any more that you would be reducing utility rates, wouldn't you?

A That could be true, yes.

Q I undertand that you don't get any 5% tax in Calgary out of gas, do you, you haven't a franchise tax of 5%?

A No, I don't believe we have. No, I don't think so, no.

Q In the City of Edmonton they have added that onto their structure too, and of course that 5% tax is passed back to the consumer of gas.

A Yes.

Q Have you considered trying to make some arrangement like that in Calgary?

A We haven't actually considered that at the moment, no. We would very much like to have the distribution of the gas, but our thoughts don't go beyond that at the moment.

Q Now to come back to the question which was discussed this morning, but which, as far as I am concerned, there was no solution offered, the question of the taxation of agricultural land within the city limits; it is obvious to me

that in Calgary there is a certain system in effect now, and that is the 40 mill basis, isn't it, is that right?

A Yes, sir.

Q And that is under a Public Utility Board order. Then in Edmonton there is a different basis from Calgary. So we have at present two cities, both taxing the same kind of land but not on a common basis. Then on top of that in the City of Edmonton Brief they have made certain other recommendations through the Commission to change that again. Now are you in the position, Mr. Strong, to say on behalf of Calgary, what does Calgary want and request in the way of settling this business of the taxation of agricultural holdings within the city limits?

A Well, Mr. Chairman, I don't think we are in a position to make any concrete suggestion, but I think personally we would have to relate those properties by assessing them against our, on our present basis within the city, and from there work out the approximate proportion in the way of a tax dollar on a similar basis to what that area is paying at the present time. Now this is to comply with the conditions that are established in connection with Division 1, and admittedly the Act, which at the moment specifies a 40 mill rate, that is over eight acres I believe it is, and in that area I don't think we have analyzed the size of the parcels. It might mean a reduction in the acreage to begin with, as well as an adjustment of the mill rate. I think those are things that we should attempt to do in the

very near future to see if we can establish some kind of a pattern. You have asked us to make a comparative assessment with Bowness, which we must do, and I think we should do the same thing in the Division 1 district.

Q And Forest Lawn?

A And Forest Lawn.

Q I would like to read you from Exhibit number 132E from the Edmonton Hearings, and this is proposals from the City of Edmonton for assessment of land used as agriculture. I am just going to read you the last two paragraphs.

> "It is therefore proposed that the building exemption provision for agricultural land as set out in Order Number 12332 of the Board of Public Utility Commissioners should be continued except that it should be restricted to land which is located 200 feet or more from sewer and water facilities."

That is the first recommendation. Secondly,

> "It is further proposed that land used for agricultural purposes, if located 200 feet or more from sewer and water facilities, should be assessed on an agricultural basis following the procedures and practices set out for Municipal Districts in the Statutes and Regulations of the Province. Under present Statutes and Regulations this would mean applying the assessment manual Exhibit 56E."

Those are certain principles that are laid down by the

Department of Municipal Affairs for the assessment of land. Would you care at this stage to make any comment on this, or do you want to reserve your comments until after we come back?

A Mr. Chairman, I would rather reserve comments on that until later.

Q Would you go this far with me and say that it is desirable that land used for agricultural purposes, that is within the boundaries of Calgary and Edmonton should have the same principle of assessment and taxation applied to them?

A Yes, I think that is basically a good policy. I think it is advisable from the standpoint of industrial operations, and just so that there is uniformity of assessment, and a uniform basis throughout.

Q You have made reference to graded utility areas. Is it you, Commissioner Strong, that wants to deal with that, or Commissioner Batchelor?

A Well, Mr. Chairman, I don't know as we are in a position to deal with it in any length at the present time. Perhaps Commissioner Batchelor has some opinions on this, but this is just something that we have come up with to put in the Brief as a suggestion for a solution to this thing, which is going to require, I am sure, a great deal more investigation.

Q Well could you outline just in a general way exactly what it means, and what the ramifications are in respect to it?

A Well, the area that I am thinking of, let's take Division 1, which is this area that we have requested annexation on at the present time. Now it is split in the middle, at least we can take a line north-south through the middle of that area, and on the west side of that line there is completely suburban type of residences. I don't know what size the acreages are that are involved, but I think they vary from one or two acres possibly up as high as 20 to 25, and it is an area that doesn't require sewer and water. I believe that residents have their own wells and septic tanks. In that suburban type of living they don't want curb and gutter, nor sidewalks, nor improvements of that nature, you don't require fire protection, other than what is being provided at the present time, welfare and such-like services are not a part of the operation. Supposing that area were to come into the city and remain just as it is, the services that they are getting at the present time constitute education, getting some maintenance of roads, and possibly a few public works, there is some fire protection, but that's about the extent of the service, they are more or less self-contained units in that respect, and our suggestion is that in an area of that nature, which is only demanding from the city a percentage of their service, that they would be called a graded service area, and qualify for preferential taxation, but that, I think, would only apply to those areas that there was no intention of

subdividing at the present time. I think the minute property is subdivided into lots on the basis of what is considered standard urban development, then it should carry the usual city rate of taxation, I don't think we should have any preference there.

DR. MAYO: May I clear up a little point there, sir.

COMMISSIONER DAVIES: Yes.

DR. MAYO: When you say preferential for lower taxation do you mean a lower mill rate or a lower assessment?

A I would interpret that, Mr. Chairman, as to mean lower mill rate because I think the assessment should be on an equalized basis.

Q COMMISSIONER DAVIES: I must confess I was under the impression that those factors were taken into consideration in fixing the assessment on the land to start with. Am I wrong in that?

A Well, we don't know, Mr. Chairman, what that assessment is. The only basis of assessment that we have in the city is what we have in effect, which is not similar to the rural assessment, or to the kind of assessment that is in Division 1 now. I mean they are assessing 100%. We would have to make a direct comparison of what their present assessment is as to what ours would be on our own basis.

Q You mentioned this morning about, something about a

committee, or the Mayor did. Is it 12 aldermen you have in Calgary?

A Yes, 12 aldermen.

Q Elected at large, and how many members are there on the Public School Board?

A I think there are six, Mr. Chairman. Seven.

Q And the Separate School Board?

A Three or four.

MR. BROWN: Five, I believe.

COMMISSIONER DAVIES: And they are all at large, I mean elected at large, I presume they are at large. They will need to be if they are going to perform their functions under the Act. That's all.

EXAMINATION BY COMMISSIONER BLACKSTOCK:

Q Mr. Strong, in connection with the utilities you mentioned the word "depreciation". Now theoretically depreciation is the recapture of capital, isn't it? And I presume that when you retire bonds that were raised for the purpose of utilities you treat your retirement each year as a depreciation for that year?

A That is right.

Q You don't treat it that way, that's the equivalent, that is correct?

A That is correct.

Q Now when we come to the taxation of your utilities, if you

don't impose a tax then you are not showing your true net position at the end of the year, you are putting your own utilities on a comparable basis with other industrial concerns, and you tax yourself on a 5% basis, and I presume that that would be somewhat comparable with other industries, and thereby show a true net position at the end of the year?

A That is right.

Q And then instead of using your surplus as a reason, because you can't pay it back, as a reason for reduced rates, you apply it in reduced taxation?

A That is correct.

Q Which, I suppose you say, effects the same purpose?

A Yes.

Q Except to the extent that non property owners are making a contribution towards the taxes of the city?

A That is correct.

Q Now you spoke of utilities being on a non-profit basis. That, of course, is pure theory, and that is why Municipalities do not come under the jurisdiction of the Public Utilities Board because theoretically you give service at cost and don't require regulation, is that right? Now supposing you were under regulations, and you speak of a profit, that is a change in thinking, instead of being non-profit they should show a profit. On what basis would you put that profit? I concede you are entitled to make a

profit. On what basis would you arrive at your profit, what principles would you apply?

A Well now, you are speaking now, Mr. Chairman, just the basis for the profit alone?

Q Yes, yes. I mean you charge your rates on the basis of total operating costs including depreciation as represented by the return of your bond, and then on top of that you say, "We are in business and we are entitled to a profit." On what basis would you compute your profit?

A Well, on the basis, Mr. Chairman, that all your taxpayers are shareholders in your utility. You would have to determine what would be a fair return to them.

Q All right, that's what I'm getting at. What would you consider a fair rate of return, I mean on what would you base it? I am not on the Public Utilities Board, Mr. Strong.

A No, I know.

Q This might be academic, but to me it is very important, without joking at all.

A Well, Mr. Chairman, if you are making it analgous to a privately-owned utility the rate of return could be anywhere --

Q I will lead you out of your difficulty, Mr. Strong, by saying the rate of return bears some proper relation to the cost of money on the open market?

A Yes.

Q With relation to well-secured industry, speculative

industry, and so on; there should be some proper relationship. I don't want to tie you down to a figure because I know you wouldn't be happy doing so.

A No, I would much rather not.

Q But, let's call it X% per annum; on what would you compute that?

A Well, it should be computed first on your operating cost, first take your capital assets, and you have got to figure the retirement of those, and in addition to that there should be some reserve for depreciation set up, difference in value between your original equipment and what it is worth as it depreciates, then there will be your operating cost, there would be your normal taxes, which you would pay, and all of those costs, capital and operating, and then you should be allowed a reasonable rate of return on top of that.

Q Are you trying to tell me this, that you should be entitled to X% per annum on the number of dollars invested in the utility less depreciation?

A Yes.

Q That is what you are trying to get at?

COMMISSIONER DAVIES: What I am wondering is where the poor patron is, the poor people who made all this possible, and the city is recapturing all the costs, all the capital, all the interest, and then not being satisfied they are levying a 5% tax, and then adding another $600,000.00 profit,

I am wondering, Mr. Strong, what's the outlook for people under public ownership in Alberta to ever have their rates reduced, and have their patrons get the benefit of the profit, the ones who make it and pay the rates, is there any prospect at all?

A Mr. Chairman, that is not the sign of the times as far as utility rates are concerned. I mean I think we are putting back our profits to the benefit of the shareholders, the ratepayers of the city.

COMMISSIONER DAVIES: That assumes that they are all the same people, but they are not all the same people. The landowners are not necessarily the utility owners and patrons. However, that's the way it is right now anyway, isn't it?

A Yes.

Q And the outlook is gloomy for any reduction in rates in Calgary and Edmonton for any utility owners under public ownership, is that right?

A Yes, that is right.

Q COMMISSIONER BLACKSTOCK: It is just taking money out of one pocket and putting it into another, isn't it? Now there is a difference between Calgary and Edmonton in that regard. Mr. Davies referred to patrons putting up the money for the capital. Now it is true that in Edmonton some of the utilities have been built out of profits and reserves. That is not the case here, is it?

A Well, Mr. Chairman, I would say that in our Electric Light Department we have been able to, up until last year, we have been able to take care of our capital expansion out of the operation, but we have come to the point where that can no longer go on.

COMMISSIONER ROBISON: Doesn't the whole thing boil down to the problem of the City raising enough money to do the jobs, or the extra jobs that have been laid on them by society in the last generation or two? I mean you have got something here that may show what is called profit and you are not going to let it go, you are not making the money personally, it is going into a common pot, isn't that the answer?

A That's the answer, Mr. Chairman. We are getting it from the utilities, and we are getting it out of every person that is living in the city, instead of a few taxpayers, because they are not using all of the city's facilities in the final analysis.

COMMISSIONER ROBISON: Wouldn't the thing work out all right if you had plenty of money to operate for municipal affairs, welfare services, and everything else, couldn't you give these utilities back to the people at cost, and maybe less than cost?

A If we had a different standard of taxation, or new fields of taxation, yes.

Q COMMISSIONER ROBISON: If you had the Dominion Income Tax

behind you wouldn't it be simple? We are not through, Mr. Chairman, but we are done, I would say.

Q COMMISSIONER BLACKSTOCK: On page 4 of your brief you say that the benefits of planning land values can be stabilized and in many cases increased. That intrigues me tremendously. How can you get away from the ordinary economic laws, and how can you stabilize land values merely by planning? It comes under sub-paragraph (b) of the first paragraph of page 4?

A Well, I think, Mr. Chairman, that land values can be stabilized means that if in your long-range plan you have these areas zoned, then you haven't got the same chance of speculation as if the land is not planned and nobody knows what's going to go in there. If you know there is a certain type of operation, or a certain type of industry, or commercial operation is going in the area, then you have reasonable values already established for those operations, and you know that you can't deviate too far from that.

Q You mean that stabilization may either be up or down from today's values, is that it?

A Yes.

Q Now in more than one place of your brief, and there is no need to give you the pages, what you really require is more revenue, isn't that what you say in effect in pages and pages of the brief?

A That's the $64.00 answer.

Q Yes, and can you indicate to me where that additional revenue might be secured? For instance we will just say supposing you added one cent per kilowatt hour, or half a cent, or quarter of a cent to your kilowatt hour, wouldn't that produce a large sum of money?

A Yes, it would produce a fair amount. I can't just think offhand --

Q Oh no, we don't need specific amounts.

A Right.

Q Would that be one source where you could get more revenue? I don't think Mr. Davies will agree with this.

COMMISSIONER DAVIES: I sure don't.

COMMISSIONER BLACKSTOCK: But that would be --

A That is a possible source, yes.

Q Now what other sources of revenue have you in mind, Mr. Strong, or possible sources?

A Well, Mr. Chairman, we feel we have pretty well exhausted the sources that we have legislation to cover. We are covering local improvements pretty well, we have put in a new sewer and service charge to try and put our sewer operation on a more economical and sound basis. We have increased our water rates during the past year. We have reached, I think, with our Transit System, the point where we feel we have reached the point of diminishing returns if we increase it any more. Our Light and Power operation we think is at a maximum, in fact we would like to be able

to make some reduction in our, particularly in our industrial rates because -- we are at a disadvantage there because we don't have our own plants.

Q I realize all that, Mr. Strong, you have to get further sources of revenue, and someone who is now enjoying some revenue from one source or another might relinquish their claim to that and give it to you. Now what have you to suggest?

A Well, I would suggest, Mr. Chairman, that perhaps the Provincial Government, who are the next line of authority, would be the logical people to appeal to.

Q And what would be logical and proper in your opinion for the Provincial Government to surrender and leave to the City?

A Well, Mr. Chairman, there are various briefs and approaches to that problem that have been made from time to time, and they contain quite a number of possible solutions to this problem on a contributory basis. I think we are in this position today, that we have certain standards with respect to hospitals, welfare contributions, but on roads and things of that nature it is on its own merits, an arbitrary method, and we have no standard basis of approach to these things. If it were possible to get an over-all picture of all these various services and try to get down to a specific standard, and we can't plan where we were going because from year to year we have no idea what contributions we are going to get

in order to take care of certain projects.

Q What I am trying to get at is this; supposing this Commission said to the Government, "In our opinion real property in the City of Calgary cannot carry a burden heavier than it is carrying now, but similarly in our opinion the City of Calgary needs the expansion and requires more money, and the evidence before us is that certain sources of revenue should be surrendered, or, if not surrendered, that the fruits of various types of taxation might be divided on some equitable basis." but what would you recommend? I don't want to guess at it, I want someone to tell me, and I want him to tell me why. Now, Mr. Strong, if you want to think about these things and tell us later on, I mean I don't want to rush you into an answer you may regret tomorrow. You do see my point, do you?

A Yes, I see the point. We don't care which particular source that it is presently derived from, as long as we can get it, but we will certainly think about the various sources that it is coming from to see what is the most equitable from the City's point.

Q Well, without more particular information, and if we felt that the City should have more money, and they could not increase taxation, then we will just have to say bluntly to the Provincial Government, "You will have to give a bigger grant.", is that the blunt way out of it?

A Yes, sir.

MR. MACKAY: Mr. Chairman, may we still make this suggestion that we will submit to this Commission a copy of the Hardy Report which was made for Alberta Municipalities which does outline financial implications and where we need help, and where it might be forthcoming.

THE CHAIRMAN: Yes.

COMMISSIONER ROBISON: Well, weren't we to get a copy?

MR. BREDIN: Mr. Chairman, I had promised to furnish you with a copy.

THE CHAIRMAN: Thank you.

COMMISSIONER DAVIES: How do your utility rates compare with other cities, Mr. Strong? How do we know whether or not you are charging more now than other cities, or whether or not an electric rate could stand another tax on it here? Can you submit information to show how your utility rates compare not only with Edmonton, but compare with other cities in Western Canada so we have some idea of the relative position?

A Mr. Chairman, we can provide you with that information, but offhand our rates compare quite favourably with other cities.

COMMISSIONER DAVIES: Is the rate which the Calgary Power charges you under your agreement with them, is that subject to review by the Board of Public Utility Commissioners?

A I would think only, Mr. Chairman, on the basis that any

agreement we had with the Calgary Power broke down, and it came to --

COMMISSIONER BLACKSTOCK: Or if you couldn't negotiate.

A If we couldn't negotiate a new agreement.

COMMISSIONER BLACKSTOCK: Then it goes to the Board. Then I wonder if even those figures will give a true picture? Isn't the cost of generating power in Winnipeg, for instance, very much less than the cost of generating power on the Bow River?

A It is some cheaper, I understand, but I don't think there is too much difference.

Q No, but there is a difference. That could be one of the contributing factors.

A That is correct.

Q And if you have to generate with coal, that's much more expensive than generating by hydro.

A Well, Mr. Chairman --

Q A little more stable, but --

A Let's say you have raised a point there.

Q I am not talking about the old Victoria Plant now.

A No, I realize that, but I think these costs are closer together today than most people think they are as far as the relative ways of generating electricity.

COMMISSIONER DAVIES: Is the City proposing, if amalgamation takes place, that utility rates should be the same in Forest Lawn, Bowness and the City of Calgary?

A Well, anything within the confines of the City of Calgary would have the same rates, Mr. Commissioner. Presently we are charging 25% additional charges to the fringe areas which would disappear if they were amalgamated.

COMMISSIONER BLACKSTOCK: That, of course, brings up another interesting problem. As I understand it, the Calgary Power has a franchise with Forest Lawn and they may have in Bowness.

A No.

Q And if there is amalgamation are you going to throw Calgary Power out of the window?

A No, Mr. Chairman, they are not in Forest Lawn.

Q Oh no, that's right.

A It is the Forest Lawn Light and Power Company?

Q I know where the proper comparison is, the Nitrogen Plant. Would they have a private agreement with Calgary Power?

A They have, Mr. Chairman, and that does present a problem because I don't think we are in the position to give the Nitrogen Plant, at least at the present time, the rate that they are presently receiving.

Q Yes?

A And therefore I don't think the City would want to impose any hardship on them, and it would mean making some sort of an arrangement to allow the Calgary Power to continue serving the Nitrogen Plant, I would say not indefinitely, but for a specified length of time, until such time as the

City of Calgary is able to equal that rate.

THE CHAIRMAN: Gentlemen, you will notice the time. I had hoped that we would have, by now extracted all the information from Mr. Strong that we could not get from anybody else. May I assume that we will be able to get all the rest of the information we require from Mr. Batchelor?

COMMISSIONER DAVIES: Mr. Frere is here from Consolidated, Mr. Chairman. You remember you were --

THE CHAIRMAN: Oh, that is tomorrow.

MR. FRERE: Tomorrow will be satisfactory.

THE CHAIRMAN: Well, I thought he was referring to, as I understood it, Mr. Frere, you said that you were quite content to follow the people to whom we had assigned a time, which was tomorrow morning.

MR. FRERE: That is right, Mr. Chairman.

THE CHAIRMAN: Now, did you want to ask one or other of the Commissioners some questions right now?

MR. FRERE: Well, I have --

THE CHAIRMAN: Well, I mean today, or whenever this Examination is going on?

MR. FRERE: That is right.

THE CHAIRMAN: Well, are you able to say whether the information would be more easily obtained from Mr., Commissioner Strong or Commissioner Batchelor?

MR. FRERE: I think the questions I have on this

brief of the City's should be directed to Mr. Strong.

THE CHAIRMAN: You do. Very well, we will adjourn then until 3:12, and Mr. Frere will then have his questions.

(Adjournment)

THE CHAIRMAN: Mr. Frere, I suggest you come up here please.

EXAMINATION BY MR. FRERE:

THE CHAIRMAN: Now then, Mr. Frere, I think we are ready for you.

Q MR. FRERE: Mr. Strong, at page 13 and the pages following, from 13 to 16 of your Brief, you indicate that the suburban areas have not adequate sewage and water supply facilities and fire protection. Do you know that the Alberta Nitrogen Plant of the Consolidated Mining and Smelting Company has provided those services for its plant?

A Yes, I understand that.

Q At page 19 I notice you mention, "The Government of the Province too has assumed a larger share of welfare expenditures, e.g., 60% of Unemployment Relief - hospital grants, old age pensions, hospitalization and other benefits." It is my understanding in British Columbia the Province assumes a share of those expenses up to 80%. If that were the situation in Alberta do you think Calgary would be better off?

A Yes, we would be considerably better off, Mr. Chairman.

Q That might be part of the answer to your problem?

A That has been recommended, I believe, in the report prepared by Mr. Hardy which this Commission has.

Q Then at page 31 of your Brief, under the heading, "Recommended Solution" - "Complete amalgamation of the entire Metropolitan Area as a political and administrative unit with the City of Calgary. The operation of all the City Departments, the School Board, Hospital Board and all other functioning City Boards would be extended to be co-extensive with the new area." That is your recommended solution. Does this contemplate the City supplying an industrial plant such as the Alberta Nitrogen Plant with power and other services?

A Mr. Chairman, we would supply them with what services we were capable of doing at the moment. I gather that, Mr. Chairman, what Mr. Frere is getting at is dealing with the light and power situation.

Q Well, all the services, Mr. Strong. As I mentioned, the Alberta Nitrogen Plant has its own water services, its own sewage facilities, its own fire protection. I wondered if you saw any need to take over those services and tax the plant instead?

A As I see it, Mr. Chairman, there would be no need for the City to supply those services.

Q Then on the question of power I think you said just before the adjournment that anything within the city would bear

the same rates, and then you explained in connection with the Alberta Nitrogen Plant, or industry generally, that you could not give the same rate, and that some arrangement would have to serve the Alberta Nitrogen Plant, and you said but not indefinitely.

A Well, the reason for that, Mr. Chairman, is that in principle the City should try and service every industry or occupant within its limits as long as we have the distribution, but at the present time, in view of the wholesale rate that we have to pay for power, we would not be able to give the Ammonia Plant the rate comparable with what they are getting at the present time, and therefore I think we should be prepared to allow that service to continue, but not indefinitely, because the time might come when we were in a position to offer a comparable rate.

Q So that when you said not indefinitely you meant not indefinitely until you are able to furnish the service with a comparable rate?

A That is right.

Q Supposing the plant were able to supply its own power, that is by use of gas, I believe that is done, or supposing the plant were able to obtain power from its, the company's hydro-electric source in British Columbia, would you contemplate the company should be able to do that?

A There is nothing, Mr. Chairman, to prevent any firm from generating its own power. As far as obtaining power from

B.C. by transmission, that would pose an additional problem, one we would have to consider. I would say at this stage that we would not look favourably upon that arrangement.

Q On the other hand, Mr. Strong, supposing hydro-electric power could be brought into Alberta for the purposes of manufacturing industries in the Province at a price cheaper than you could generate the power in the Province; do you not think that would be in the interests of the Province?

A Yes, Mr. Chairman, I definitely think it would be in the interests of the Province, but it would hardly seem right that power should come in from outside the Province without the present power producers in the Province being able to compete.

Q Well naturally, Mr. Strong, that would possibly follow. I only put that to you as a supposition for purposes of getting your ideas on whether or not an industry should be entitled to supply its own power and things of that nature.

A I definitely think they should, that's their privilege.

Q Then at page 32 you state, "For this purpose --", and this is in connection with graded service, "For this purpose it is proposed to work out a system of graded service and utility areas with corresponding assessment formula. Such an arrangement would have a fourfold advantage.", and then item 3, "By keeping the taxation to a level which

is compatible with the activity carried on, it would remove the pressure from individuals to develop their land prematurely in a more intense use." The question in that case, Mr. Strong, is would the lands and improvements of the Alberta Nitrogen Plant be graded as an area receiving no services, or a minimum of services if it were taken into the City?

A Well, that, Mr. Chairman, I think that with regard to that particular operation it would have to be, it would have to be considered on the basis, on the same basis as all other industrial land within the City. The point that Mr. Frere is getting at is the fact that they have these particular services now and are supplying themselves. Would it qualify you for any reduction in taxation?

Q That is right.

A Mr. Chairman, I can't answer that at the present time.

COMMISSIONER BLACKSTOCK: Would it not be this, Mr. Strong, that those services that you cannot give now, and if the Ammonia Plant were brought into the City, they would not be chargeable, or taxable with any share of the debenture debt which provides those services in the City?

A Well there again, Mr. Chairman, I wouldn't like to go that far to say that we would not assess them a fair share of the debenture debt.

COMMISSIONER BLACKSTOCK: Well, on that principle then, you also should charge them water rates and so on?

A Well, if they are not using City water, or not using City

power, then they would naturally not pay those charges.

COMMISSIONER BLACKSTOCK: And if they are not why then should they pay any part of the debenture debt, which was raised for the purpose of providing those services in the city?

A Well, I think it's fair to say, Mr. Chairman, that these people that are working out there are principally living in the city, and the city is educating their children, and that sort of thing, and there is a certain amount of debenture debt required there. The utilities are carrying their own debenture charges at the moment, and the balance of the debenture charges would be perhaps general taxation. Police protection, fire protection is available. We have many industrial plants who have their own sprinkler system and fire protection insofar as they go, but nevertheless the city still has that service available for them.

COMMISSIONER BLACKSTOCK: When you say that the utilities are carrying their own debenture debt that, of course, is reflected in the rate you charge, is it not?

A That's right.

Q MR. FRERE: I think your answers to Mr. Blackstock, Mr. Strong, have answered this next question, the question I have in mind, and that concerns the statement from your brief on page 37, where you say, "It is recommended that the Provincial Government ensure that tax exemptions be kept to a minimum, and perhaps even given consideration

to the abolition of all exemptions." I was going to ask you, where an industrial plant provides its own facilities do you consider it would be proper for the capital cost of those facilities to be exempted from taxation? Am I right in assuming your answer is no?

A Well, I would say not entirely, Mr. Chairman. I think there is some argument in your behalf to qualify it, but just how far it is difficult to say.

Q You feel perhaps they should bear a share in the cost of education?

A Yes I do definitely, with regard to that.

Q And hospitalization?

A Yes.

Q Would you be willing to draw the line there?

A Well, Mr. Chairman, this is a question of policy here at the moment which the city actually has not got the legislative authority to do, and I am merely giving what I think is my own opinion in this connection. It is something that would have to be considered.

Q Well, I put that proposition to you, Mr. Strong, because that is being done in British Columbia at the present time. In the area in which I reside they have formed large school districts, and that was on the implementation of the so-called Cameron Report, and it would appear that Mr. Cameron had the school districts reach out wherever there happened to be an industrial plant and include that plant

in the school district, so the school district comprises a couple of cities, a village or two, and some district municipalities, as we call them, and the school taxes in that entire area is equalized over the area, so that there is contribution made by the industrial plant, and now with the implementation of their Equalization Assessment Act they are trying to equalize assessments in that area. Do you think that would assist in the problem that you have in Calgary and the surrounding areas, if a solution such as that were adopted?

A Mr. Chairman, I think that would be defeating the, that would be defeating the recommendation contained here from the standpoint of amalgamation. I mean the sort of thing you are suggesting is more like the suggestion that is coming out of this co-terminus boundary operation, which takes in a series of Municipalities and Towns and gives them a larger area to draw from.

Q I was just turning over in my mind how you would perhaps exempt industry from certain taxes, and yet not exempt other taxpayers and not keep the tax from being discriminatory. Perhaps you have the answer to that?

A Actually, Mr. Chairman, we haven't the answer.

Q I think those are all my questions, Mr. Chairman.

THE CHAIRMAN: Thank you, Mr. Frere.

MR. FRERE: I have one or two questions on this Financial Brief, which I gather should be advanced to Mr.

Batchelor?

THE CHAIRMAN: Yes. Mr. Frere, I should say this to you, I think, that we have very little time for Mr. Batchelor this afternoon, I think we will have some. You might pose the questions then, otherwise you will have to wait until you have finished your own submission, and submitted to examination, either tomorrow afternoon or on Wednesday according as to the length of time C.I.L. take on the stand.

MR. FRERE: Very well.

THE CHAIRMAN: You understand that?

MR. FRERE: I understand that, yes I do.

THE CHAIRMAN: All right. Now are there any other questions?

MR. GARDINER: Well, Mr. Chairman, I would like the opportunity --

THE CHAIRMAN: Mr. Gardiner, yes.

EXAMINATION BY MR. GARDINER:

Q Mr. Strong, I only want to ask you one or two rather short questions. They deal with the map which is attached to the Brief and concern areas 5 and 6. I happen to be interested in this area the same as you do, and they are interested in what may happen to them. What I would like to know, Mr. Strong, is that the land shown in areas 6 and 5, or 5 and 6, would be re-assessed immediately on annexation to

the City. Is it contemplated as being in the graded area as suggested in your Brief?

A Well, Mr. Chairman, first it would be re-assessed, and whether it would qualify as a graded area or not would be determined later.

Q Could I safely assume that it would be subject to the 40 mill rate for taxation purposes until it changed its aspect in the eyes of the City?

A Oh, I think that is safe to say that it would, Mr. Chairman.

Q Would it be considered as an area say of industrial land or agricultural land, and if so for how long?

A Well, a great portion of it, Mr. Chairman, would be considered as agricultural land, I would say for some time. There are certain areas in there which could be more specifically defined as industrial areas. I couldn't just pick them out at the moment.

Q No, no, I understand. Could the land be left in the hands of the jurisdiction of the Municipal District and dealt with by them for the benefit of the City, in co-operation with the City, either as commercial lands as the occasion demanded, or as industrial lands as the occasion demanded?

A Well, that is possible, Mr. Chairman, just depending on the measure of control that is exerted, and also what the attitude of the Municipality would be provided that a considerable part of this developed in the future.

Q My understanding is, and I can assure the Commission, the

only answer that the Municipality knows at the minute as far as development is concerned is no. Might I ask also why there would only be a desire of the city to control development along the Number 2 Highway? Number 1, as you know, reaches out there south of Sections 26, 27 and 28, and there is only half a mile in that that would be under the jurisdiction of the City if annexation were accomplished, and I wondered if there was anything of any significance why Number 1 could not also have been included with Number 2. I don't want to press for an answer, but it may or may not develop.

A I think only this, Mr. Chairman, that our thinking, we perhaps overlooked this, or didn't consider that it was an immediate consideration.

Q Yes, but we have suggested in our original suggestion to the Commission that they go the half-mile extra, and we wondered if we were being over-generous.

COMMISSIONER ROBISON: You mean up to the border of 27?

MR. GARDINER: Yes, to the west side of 27 is what we suggested originally. The reason I suggest that is that that is a short quarter in 28, and as such, you see, it just barely reaches to the quarter line. That's why I asked particularly.

COMMISSIONER ROBISON: I think that is a reasonable question.

MR. GARDINER: Thank you very much, sir. Might I

ask the Commission, while I am on my feet here for their indulgence tomorrow -- this doesn't concern Commissioner Strong -- we unfortunately have a meeting of the Council, and if the Commission would indulge to the extent that any questions which might be referred to us tomorrow we would be prepared to answer on Wednesday. It is possible that the two industrial briefs may have some bearing on our attitude towards the whole matter, and they may wish to ask us, and if so I have to say that we will not be available, but we will be on Wednesday.

THE CHAIRMAN: Thank you.

COMMISSIONER ROBISON: Mr. Chairman, while Mr. Gardiner is standing down, I would like to ask the Mayor if his briefs prepared in '51, you remember --

MR. MACKAY: Yes.

COMMISSIONER ROBISON: Did you forward those to the Commission, do you remember, Mr. Mayor? You were going to provide us with copies of those.

MR. MACKAY: We will check on it.

COMMISSIONER ROBISON: You were good enough to give me one, but I don't remember if the other copies have come forward. I don't believe they have.

MR. MACKAY: All right.

COMMISSIONER DAVIES: Is Mr. Strong, sir, am I correct in assuming he will be back again and available later on in the week because I want to talk to him about bridges, about

what they cost, how much the Province is paying the City of Calgary, what basis it is arrived at, things like that, and I want to have some idea of the capital programme of the City of Calgary, what they expect to need in money for capital works for the next five years or so, and things like that? If you stand him down now I assume he will be back here when we are through with the industrial concerns on Wednesday?

THE CHAIRMAN: Well, from my standpoint it would be far better, if you are ready, to ask him those questions this afternoon, than to get Commissioner Batchelor here and just barely get him introduced and then send him home, because apparently tomorrow, and we do not know how much of the time on Wednesday, will be taken up with these two briefs. Now what, are you ready to go on now?

COMMISSIONER DAVIES: Well, if he is the right man to deal with the questions I am raising.

COMMISSIONER BLACKSTOCK: I was under the impression that your Brief said you would need $15,000,000.00 for the next three years. Is that right?

A That is true, Mr. Chairman.

COMMISSIONER BLACKSTOCK: In addition to the money you would need for other areas?

A That is correct.

COMMISSIONER BLACKSTOCK: Is that the figure, Mr. Strong?

A The figure is approximately -- we prepared a brief, or rather

we prepared our first capital budget here for the City two years ago, it was presented in '53, and the two programmes since then have been in the neighbourhood of 12 to 15 million dollars, and while we have not a definite figure for '55, we are working on that at the moment, we know it is going to approximate that figure, and it is all, of course, predicated on the population expansion if it continues at the same rate, we don't see any relief from approximately that figure, and mind you, it could be more.

THE CHAIRMAN: I suspect Mr. Strong is the man you should ask.

EXAMINATION BY COMMISSIONER DAVIES:

Q Would you mind dealing with the question of bridges, and tell us what this last bridge cost you, the one on 14th Street, and how much you got from the Province on that, and how that amount was arrived at, is that bargaining, or is there a system?

A No, Mr. Chairman, we have no standard basis for grants to bridges, nor highways, although there have been, in this particular case we made application to the Provincial Government for 50% of the contribution of the total cost.

Q What was the total cost?

A The total cost will run in the neighbourhood of $2,000,000.00. Our costs are not firm as yet. But our approach to the Provincial Government was on the basis of $1,800,000.00, and

they agreed to pay 40% of the cost of that bridge up to a maximum of $700,000.00. Now our argument in making the request was based to a considerable degree on the traffic pattern. At our present 10th Street and Kensington Road, which is the approach from the north to the Louise Bridge, almost 50% of the traffic there hitting that intersection is going and coming from the west, and our argument was that a big percentage of that traffic was generated by Bowness, Montgomery, commuting to the city, and so forth, and consequently we based our request on 50%, and it was an arbitrary selection, actually. In this case, I will be quite frank, and say we felt it was a fair contribution.

Q What about this new Cushing Bridge, how much is that estimated at?

A The Cushing Bridge has been estimated at $400,000.00, and the Government contribution to that is $150,000.00, which is almost the same per cent.

Q And at present those contributions are just arrived at by bargaining?

A That's right.

Q Do you think there is a sound moral justification that the cost of bridges in the city should be principally borne by the urban administration, or that it should fall more generally on the Province as a whole?

A Well, Mr. Chairman, the bridges, of course, are used probably more extensively by the citizens, but in the pattern of

traffic particularly on arterial highways, then the whole population of the Province, and the Dominion at some time or another, and then tourists from the United States, make use of those bridges. I think perhaps there is a differential to be established there on bridges which are on main highways and those which are necessary more for urban transportation.

Q I understand that the Province pays 100% of the cost of all bridges outside of the cities if the bridges are over 20 feet long. Do you understand it that way?

A No, I don't know, I have no knowledge of that, Mr. Commissioner.

Q Well, if that's so, and my colleague, Mr. Hayes, tells me that is so --

COMMISSIONER HAYES: That is right.

Q COMMISSIONER DAVIES: If that is so it would appear that in dealing with rural Municipalities the Province has recognized the principle that when a bridge gets to be over a certain size in length, with which I presume there is associated the question of cost, that that cost then becomes such a burden that it should be absorbed by the Province at large, that would seem to be the principle. Now you are asking for relief financially of different kinds; you have indicated today that you are going to get down into definite channels, and I am wondering myself if on the question of bridges, which are very substantial

items of expenditure, if there isn't a lot of justification for the argument that it is not sound that real property within the city should be charged with the cost of those bridges, because that's where you're putting the charge, isn't it?

A That is correct.

Q Is there any justification why, for example, a businessman on Eighth Avenue plus the man living in the West end of the City, why his home and why his business property should contribute to the substantial portion of the cost of a $2,000,000.00 bridge going over the river here within the boundaries of the City of Calgary?

A I feel that there again where bridges are on a major thoroughfare, which are providing for arterial roads, as the case may be, and that applies, of course, to this recent bridge and also the Cushing Bridge, that the bridge, that the largest percentage of that bridge should be a rightful charge to the Province. It is actually a highway.

Q Do you know that in Ontario, Mr. Commissioner, that very large grants are made, for example, by the Ontario Government, to the Metropolitan area of Toronto running into hundreds of thousands of dollars actually towards road construction within the city?

A Yes, that is so.

Q Not just arterial roads. You understand that, do you?

A Yes I do.

Q Have you thought about making out any case in that direction?

A Yes, we have. As a matter of fact we felt that what we would like to have is a pattern of definite grants towards metropolitan bridges, metropolitan roads, and operations of that kind. The pattern that we have mentioned also applies to our highways. We obtain at the present time a maintenance grant to highways throughout the city which is very small and I must say that in connection with highways that have been built recently we have received a contribution from the Provincial Government in two sections of highways that were built on the equivalent of 50% of the value of the standard as established by the Department of Highways. That applies to the old, to the new Banff Road as it is today, not the new Trans-Canada, and for those portions of the highway located within the city limits, and we are also receiving the same type of contribution on the same basis for a percentage of the new Trans-Canada within the city, because only a small portion of that affected, actually the Government is building practically all of the Trans-Canada coming into the city from the east at their expense. There is only three short blocks, or three long blocks involved on this 50% basis in accordance with their standards. Their standards, of course, differ somewhat from ours as far as cross-section width goes.

THE CHAIRMAN: Where are those three blocks?

A That's from Sixth Street East, on Sixth Avenue from Sixth

Street East to Third Street East, Sixteenth Avenue.

Q COMMISSIONER DAVIES: I understand that in the Toronto Metropolitan Area that the Provincial Government is paying one-third of the cost at present of all expenditures on highways, whether they are main highways or not. Do you know of that?

A Well I understood, Mr. Chairman, that that applied to roads serving the Metropolitan Area. Now where they draw the line between highways and arterial thoroughfares I could not say.

Q Well, wouldn't you think that, wouldn't you agree that in making out your case where you have precedent established elsewhere in Canada that you put your case on a fairly solid footing, perhaps, if you would deal in making presentations to us, by illustrating what is done elsewhere in our own country?

A Well, I think that is a very good point, Mr. Chairman. I believe the Hardy Report that was presented to the Municipalities also contains a recommendation on governing highways. I think it refers to the situation in Metropolitan Toronto. We may have just wondered in making these specific recommendations how much overlapping there would be, we felt that perhaps all this information would come up at this Hearing, and there have been so many recommendations made from time to time with regard to solutions that I think there is sufficient pattern there.

Q One other question; quite apart from the question of

amalgamation let us suppose that Forest Lawn and Bowness and Montgomery are cut out of the picture; do you feel that if those three different areas were cut out of the picture, and this Commission was still sitting on the question of Municipal relationships between Calgary and the Province and Edmonton and the Province, do you still feel that your tax base here is a lot too restricted and that you would still have ample financial problems that would merit the consideration of the Commission?

A Yes, I feel we do.

THE CHAIRMAN: Is there any other question of Commissioner Strong?

COMMISSIONER ROBISON: Well, I have noted down here just exactly those questions on highways that Mr. Davies was asking, that is on page 36 and 37 of the City Brief, and I would make the suggestion, without going into it in detail, that in connection with highways my question was should the Provincial Government make further grants in respect to highway work through the city. My observation is this, that come January I think possibly the city might give thought to further representations in connection with bridges and highways, arterial and otherwise, through the city, on the basis of any precedents they can find or establish, and let us have a further submission, because I am personally very interested in that feature. I was going to get into it with Mr. Batchelor but seeing Commissioner

Davies brought it up, I am going along with what he said.

A Mr. Chairman, we are in that position today that we are preparing a capital budget, and it will involve expenditures on several bridges and arterial roads, which we feel are arterial in that highway sense of the word, and it means that we will have to go to the Province and make our request and deal with each one on its own merits on an arbitrary basis.

COMMISSIONER ROBISON: Well, my point is this, that on page 36, and the top of page 37 you have made a certain recommendation. You start off by saying, "It is recommended that the Provincial Government grant increased assistance to highway and traffic costs in the City.", and you go on to say certain things about gasoline taxes. Now what I am saying is this, I would like to see something specific with regard to highways, arterial and otherwise, and with regard to bridges, and specific application, with precedents, if any, that you can establish, and let us have a further submission.

A You would like us to make a specific recommendation to the Commission here?

COMMISSIONER ROBISON: That would be my --

A On what we think those percentages would be?

COMMISSIONER ROBISON: And Commissioner Blackstock agrees we would like to see that, yes.

THE CHAIRMAN: Would this budget to which you

refer, Mr. Strong, be ready by late January?

A Yes, it should be.

THE CHAIRMAN: Then you could use the case that you were preparing for the Provincial Government to bring comparable information to the Commission, unless there is some impropriety in presenting it here before you have presented it to the Government?

A Well, we are in the position where we have to give the Government certain information in the very near future.

THE CHAIRMAN: Yes, on account of their budget.

A On account of their own budget, and we are in the position that we haven't got our own budget before our Council. That is another matter, you see, and we do hope to have it before Council, and it perhaps can only be presented in the preliminary form, but we can get some indication before presenting it to you.

COMMISSIONER ROBISON: I would think too, Mr. Strong, that any specific applications along the line that we have suggested with regard to highways and bridges on page 36, any specific applications on any of the other recommendations by way of precedent or otherwise, would be of great interest to us in assisting the Commission to come up with any recommendations to the Province. Do you see what I mean?

A Yes.

COMMISSIONER ROBISON: We need as much direct information

as we can get.

COMMISSIONER DAVIES: To follow that up, on your sewage plant in one place in your brief here you state that you got an order from the Department of Health that you have got to do certain erections that are going to cost a certain number of, and I think it's millions of dollars, isn't it?

A That is right.

Q Now is that a specific order to request, or is it an order made on the City under the Public Health Act?

A No, it's an order made, Mr. Chairman, by the Public Health Act for us to bring our sewage disposal plant up to certain standards, and we are given so many years to complete it. I mean I must say that we have made an informal approach to the Government regarding a grant towards that, but have been refused. I think, you see, they started this on the North Saskatchewan River several years ago, and Edmonton received a similar order.

THE CHAIRMAN: And you are in just the same position now?

A The same position.

COMMISSIONER BLACKSTOCK: And as a result of your having inadequate sewage disposal I think the Town of Bassano was ordered to put in a water treatment plant?

A Yes, that is correct.

COMMISSIONER DAVIES: Mr. Strong, it's awful to be poor,

isn't it?

A Are you talking to me personally?

MR. MACKAY: Especially when you have got a rich uncle.

MR. MACKINTOSH: Mr. Chairman, may I ask another question, please?

THE CHAIRMAN: Yes, Mr. Mayor.

EXAMINATION BY MR. MACKINTOSH:

Q Mr. Strong, have you any knowledge of the sewage disposal plant at what is now the Baker Sanitarium?

A No, Mr. Chairman.

Q Owned and possessed by the Provincial Government?

A No, I have no knowledge of that plant. I knew there was one there, but I don't know anything about it.

Q My information a number of years ago was that it was entirely insufficient for the purpose it is now being used for, and that we in Bowness may be drinking water through the backwash of the river into various wells which are contaminated by the sewage disposal plant of the San. You have no idea of it?

A No, I have no knowledge of it.

THE CHAIRMAN: Are there any other questions of Commissioner Strong?

EXAMINATION BY COMMISSIONER BLACKSTOCK:

Q I want to come back to my topic. I want someone to tell us very specifically why one suggested form of government is better than another, and why. We can guess at it, perhaps, but it is much better to be able to put your recommendation on a factual basis, or if not factual supported by the opinion of men who have studied it. So between now and some time in February, Mr. Strong, will you devote a day or two to that problem?

A We shall.

Q I would be much obliged if you can.

COMMISSIONER ROBISON: I was going to ask Commissioner Batchelor about that sort of thing when he gets on the stand some time in the future.

THE CHAIRMAN: I am sure Mr. Martin will have a contribution like that too.

COMMISSIONER BLACKSTOCK: Well, Mr. Martin has to tell us about the county system, rather his opinion of it, as applied to the City of Calgary.

A I gather, Mr. Chairman, while we have come to the conclusion in our own minds which form of government we prefer, you would like us to put all our reasons down in writing.

THE CHAIRMAN: Yes, the supporting evidence.

COMMISSIONER BLACKSTOCK: For instance, it might be suggested that if we recommended a Metropolitan System of Government that might be just taking one bite at the cherry,

and the other bite might have to be taken three or four years from now, and whether it is better to take the one bite now.

COMMISSIONER ROBISON: One of the things we seem to have trouble in getting across, I don't say in Calgary and I don't say where, but one of the troubles we seem to have is that certain people and institutions or bodies, is this, that you don't seem to want to come out and say what's in your hearts and minds, and they don't, by inference, seem to want to trust the Commission. They want us to read their hearts and minds, as it were. Now we would like them to come out and tell us exactly what they think and why they think it, and buttress it with argument and precedent, because I hope that the members of this Commission are completely trustworthy and men of discretion.

A I would like to say this, Mr. Chairman, and it is not eye-wash either, that I think we are very fortunate to have the group of gentlemen that we have there on this Commission, so that we can present our case in its entirety to you, because as I see it in this Province the Union of Municipalities have been trying to get the case of the cities in the last two years before the Government and haven't been able to do so, or in its entire picture, and we have been approaching them and arguing individual matters of services, and I think we feel that you have the interests, and an impartial viewpoint, and we are very happy to be

able to present our case to you.

COMMISSIONER HAYES: Will you put that in writing, Mr. Strong?

THE CHAIRMAN: I want to make a comment for the benefit of Mr. Maveety. Mr. Maveety, it seemed to me, did not favour amalgamation for various reasons, principally depending on, or developing the idea that the Town should develop itself independently, and he gave me the impression that this was rather the opinion of the Council, he even went so far in his frankness, which I appreciated very much, so far as to say that he thought there was a considerable body of opinion in the west side of the Town that might favour amalgamation. That's correct, Mr. Maveety, is it not?

MR. MAVEETY: That is right, sir.

THE CHAIRMAN: I wondered if I might go so far as to make a suggestion to you that between now and the Hearing in the New Year that you might take steps in some way, a way which would suggest itself to the Council, to bring to the Commission an opinion of the people generally. Now I am not concerned whether it's for amalgamation or for the Metropolitan Plan, or for staying out altogether, or what it is, but I think the Commission would be greatly interested if we could have an expression of opinion, or at least an opportunity given to the people in the Town of Forest Lawn to instruct the Council as to what it would

like it to do. Now I am talking now of the body politic out there. Is that an unreasonable request?

MR. MAVEETY: I will try to do what you ask, sir.

THE CHAIRMAN: Yes. If people are not interested, if you should call a public meeting and they do not come, okay, we will assume that they are quite content to have the Council carry on in any way that the Council thinks wise in the interests of the Town. If they should have opinions I know you well enough to know that you would bring them to us as the expression of opinion of the people of your constituency.

MR. MAVEETY: I will do my best, sir.

THE CHAIRMAN: Thank you.

COMMISSIONER HAYES: I think you should add, Mr. Chairman, that you are not trying to spoil their Christmas.

THE CHAIRMAN: Well, I hope it won't do that. Mayor Mackintosh, I can't ask you to do anything because you haven't had the opportunity to present your brief yet, but when you come I hope that you will be very specific, and as Commissioner Blackstock said, be prepared to support your recommendation. Now he said today, or at some time, any suggestion in the light of what we have heard from Forest Lawn and Bowness, and we have yet to hear from Montgomery, any suggestion that things should remain as they are is unfavourable, all right, if that's unfavourable and you agree with that then I hope you will come up here

and say right from the shoulder what you think is the solution.

MR. MACKINTOSH: Yes, sir, we will do our best to do that. Speaking of it as a community affair, and even although Bowness, the most beautiful girls and most squeezable girls in the entire Province of Alberta dwell therein, and the most intelligent of men, it is highly impossible for them to devour, digest and think about all the things that are being presented to this Commission.

MR. BREDIN: Perhaps, Mr. Chairman, if he did less squeezing of the girls --

THE CHAIRMAN: You mean by that they would have more time. Well then, Commissioner Batchelor, I am afraid that you will have to look forward to containing all this information that you have until Wednesday at an hour of which you will be informed. If you are here tomorrow, say in the afternoon when these other briefs are being considered you will know the progress that we are making.

MR. BATCHELOR: Okay, Mr. Chairman.

THE CHAIRMAN: Thank you very much. We are adjourned until 9:45 tomorrow.

---

and can right down the slider what you think is the solution.

MR. MACKINTOSH: Yes, sir, we will do our best to do that. Speaking of as a community affair, and even although Rowneys, the most beautiful girls and most squeezable girls in the entire Province of Alberta swell theirs, and the most intelligent of them, it is highly impossible for them to devour, digest and think about all the things that are being promoted in this Committee.

MR. BRADIN: Perhaps, Mr. Chairman, if we did less squeezing of the girls--

THE CHAIRMAN: You mean by that they would have more time. Well then, Commissioner Botchford, I am sure that you will have an look forward to containing all this information that you have until Wednesday at an hour of which you will be informed. If you are here tomorrow, say in the afternoon when these other briefs are being considered you will know the purpose that we are waiting.

MR. MACKINTOSH: Okay, Mr. Chairman.

THE CHAIRMAN: Thank you very much. We are adjourned until 9:30 tomorrow.